



Earnings Presentation

August 2021



Disclaimer

Information contained in this presentation is subject to change without prior notice. Its accuracy is not guaranteed and it may not contain all material information related to the company. Neither SADAFCO nor its associates make any representation regarding, and assume no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.

Nothing in this presentation shall form the basis of any contract or commitment whatsoever. This presentation is furnished to you solely for your information. You may not redistribute it to any other person.

This presentation contains forward-looking statements that are made on the basis of current knowledge and assumptions. Various factors could cause future results, performance or events to differ materially from those mentioned in the presentation.

Key Highlights

Key Highlights

- ▶ SADAFCO's sales were SAR 492Mln for Q1'2021/22, a decline of 13.0% vs same quarter last year. Decline was mainly due to reduced sales of RTD Milk, Tomato paste which was partially offset by higher contribution of Ice Cream.
- ▶ Ice Cream sales continue to grow and are up by 27.2% vs same quarter last year
- ▶ Gross Margin at healthy level of 31% vs. 32% same quarter last year

New Product Launches



Crispy HOT | 80g



Treato | 200ml
(Drinkable Snacks)



Premium IC Cup | 125ml
(Vanilla, Chocolate & Strawberry)

Recent Developments

- Ice Cream warehouse storage of 6,000 pallets is already operational thereby providing key storage facility during peak season.
- Final dividend of SAR 3/ share approved by EGM. Full year SAR 6/ share vs. SAR 5/ share last year.

Business Highlights

Financial Highlights- SADAFCO

Sales

13.0%

YoY

Q1'2021/22:
SAR492Mln

Q1'2020/21:
SAR566Mln

Net Profit

46.1%

YoY

Q1'2021/22:
SAR38Mln

Q1'2020/21:
SAR71Mln

Cash and Cash Equivalents

8.6%

YoY

Q1'2021/22:
SAR783Mln

Q1'2020/21:
SAR721Mln

SADAFCO's Market Share*



UHT Milk
61.6%



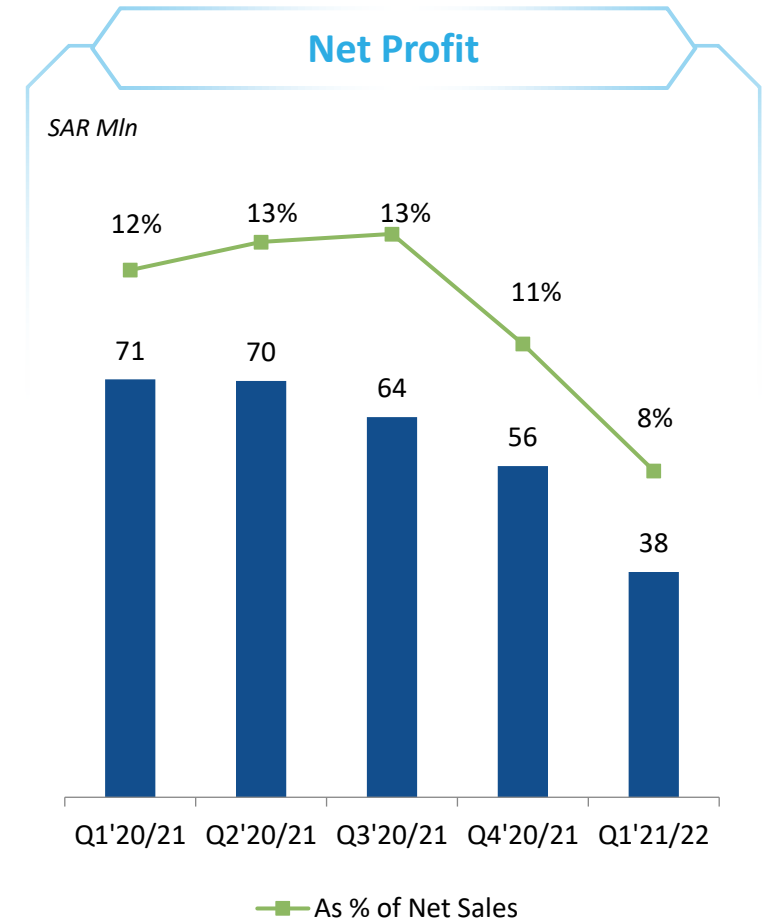
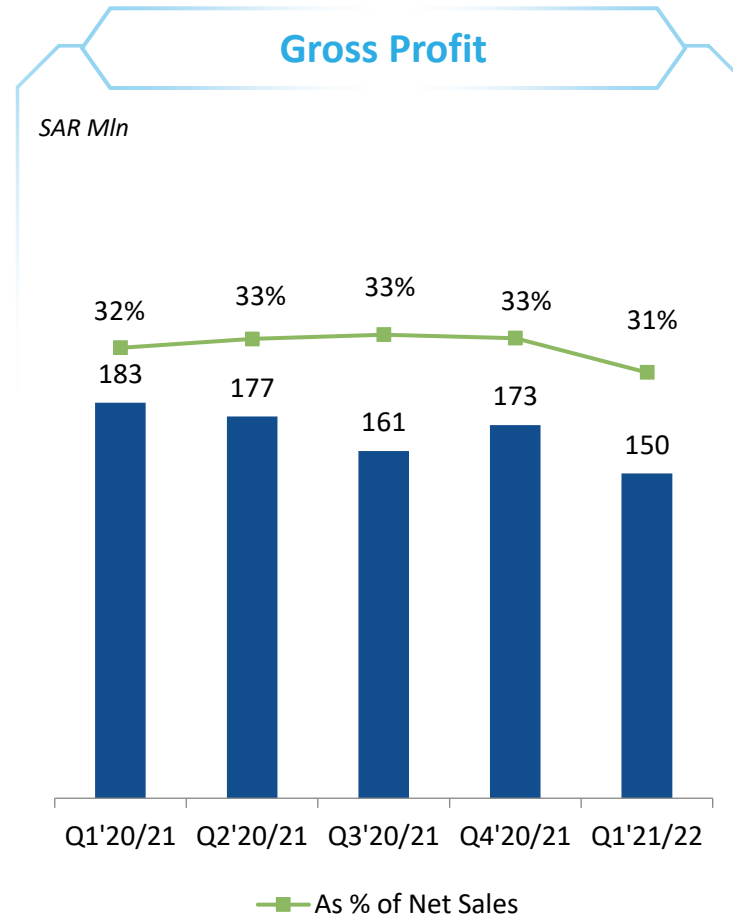
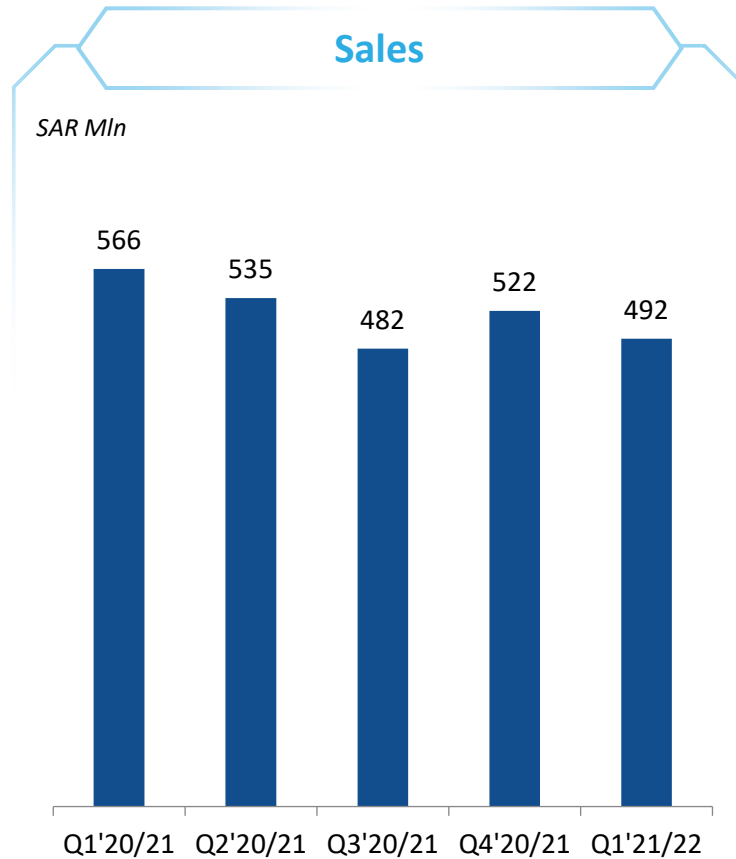
Tomato Paste
51.2%



Ice Cream
26.6%

*MAT as of May' 21 (Source: Nielsen Retail Audit)

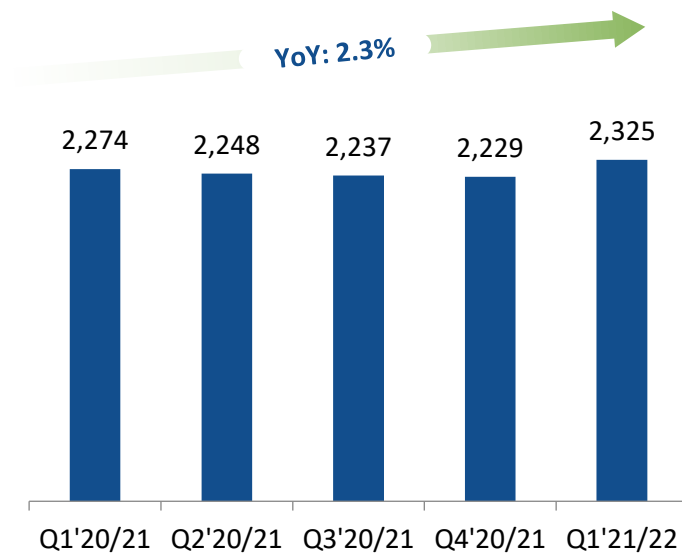
Sales & Profitability



Balance Sheet

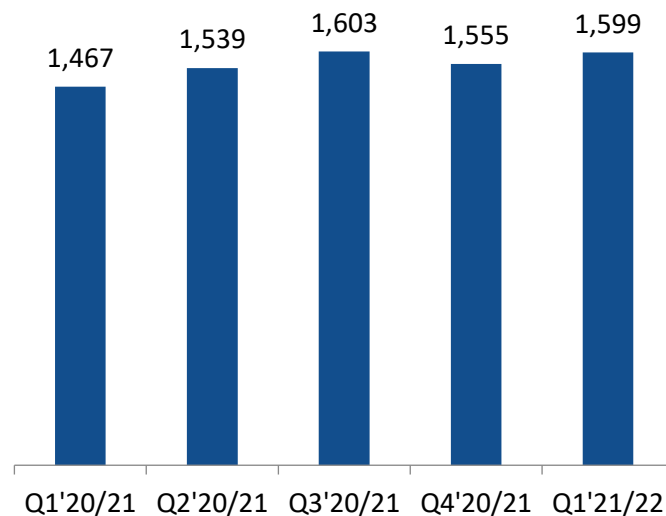
Steady Asset Base...

SAR Mln



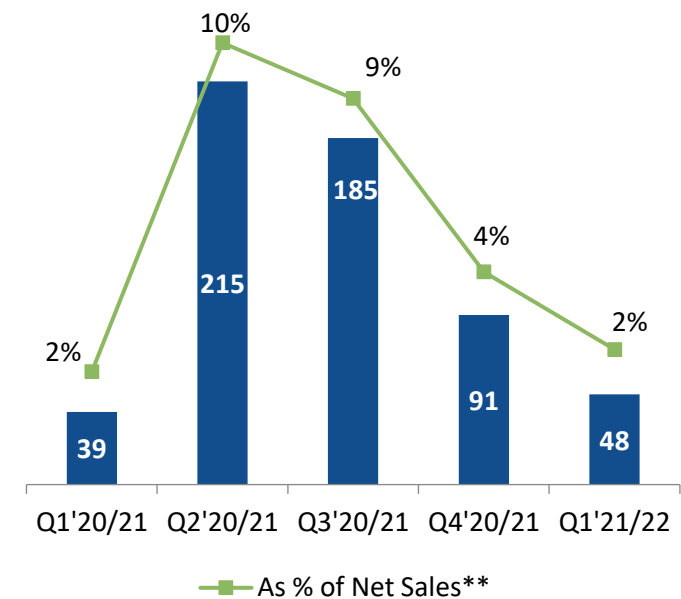
...build by Internally generated funds

SAR Mln



Working Capital*

SAR Mln



Note:

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

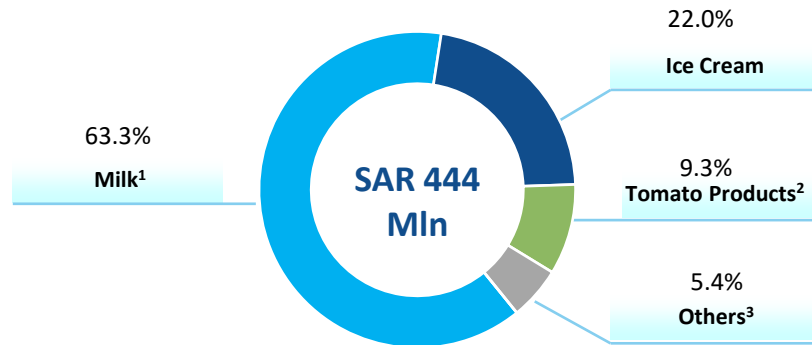
Current Assets: Account receivables + Inventories + Deposits, prepayments & other current assets

Current Liabilities: Account payables + Due to related parties + Accrued zakat + Dividend payable + Accruals & other current liabilities

**Rolling 12-months net sales

Sales Reporting

Q1'21/22 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

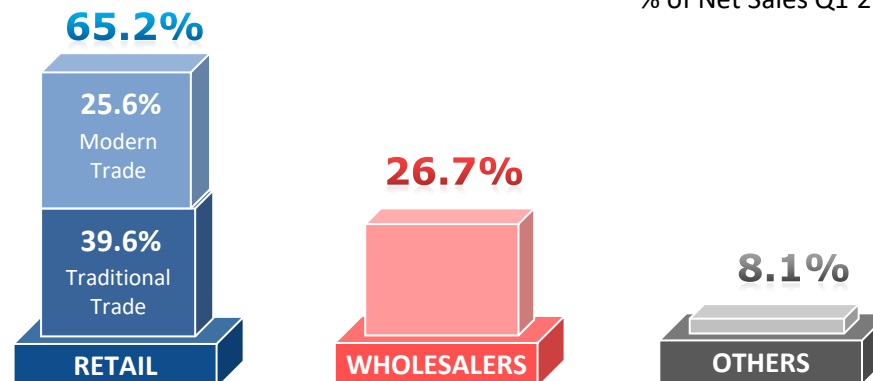
*Note: SADAFCO Standalone figures

Key Category – Sales*

	Net Sales – Q1'21/22 (SAR Mln)	% y-o-y growth
 Milk	281	-22.7%
 Ice Cream	98	27.2%
 Tomato Paste	41	-32.4%

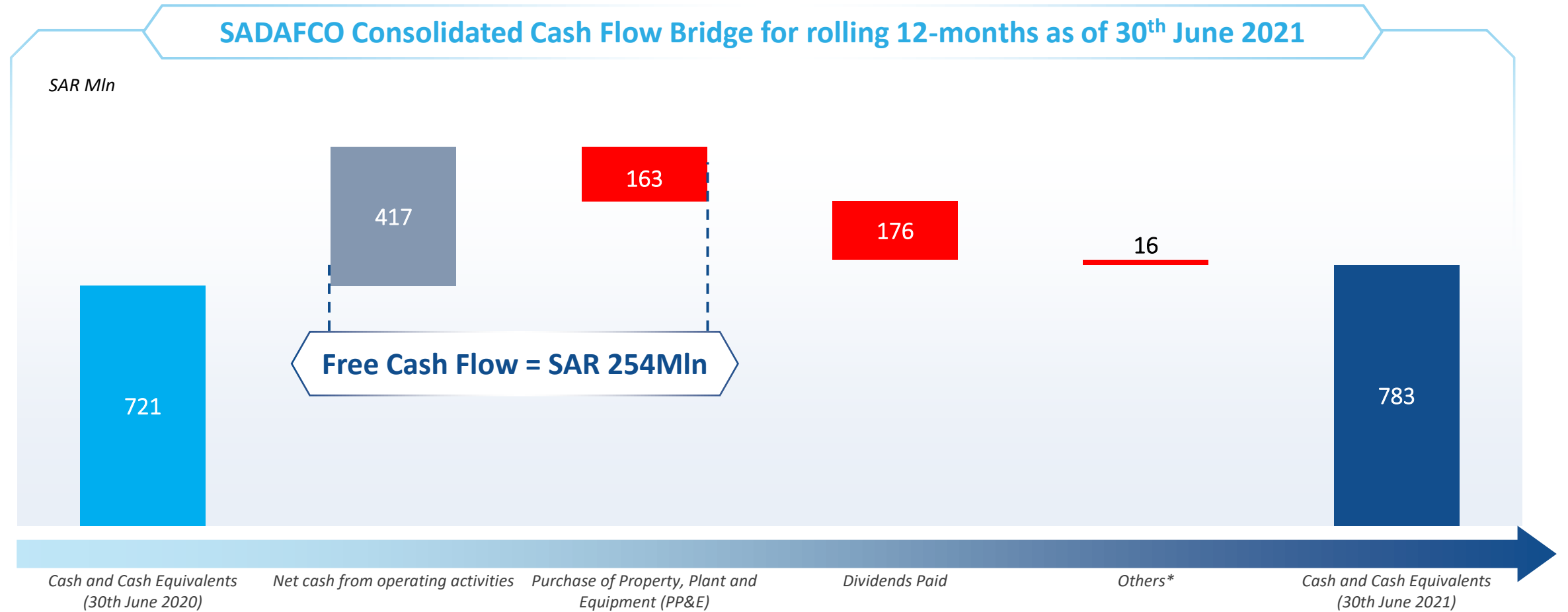
Distribution Format*

% of Net Sales Q1'21/22



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

Cash Flow Summary



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

Product Portfolio



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)



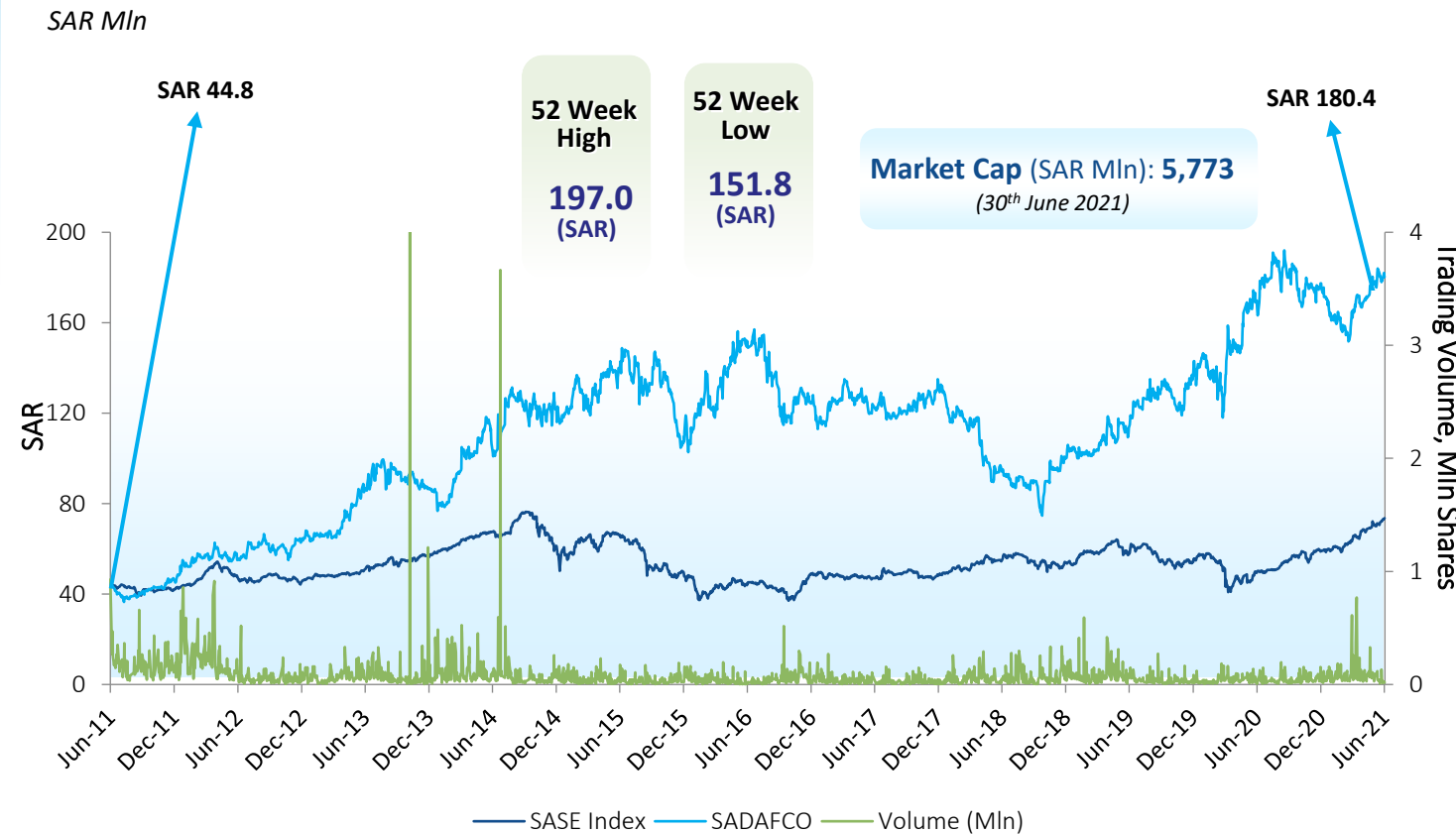
Other Products

- Butter
- French Fries
- Laban Fruit Drink
- Cream (Thick & Sterilized)
- Soy Drink
- Water (Still & Flavored)
- Treato (Drinkable Snacks)



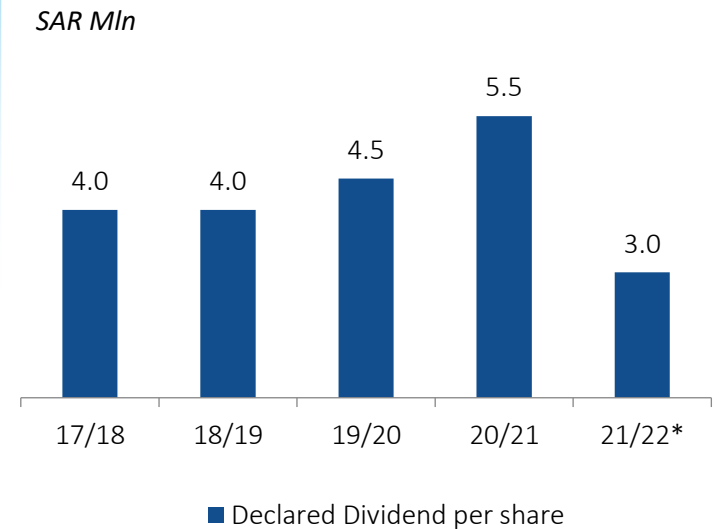
Shareholders' Returns

Share Price Performance



Source: Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 44.8 on 30th June 2011); Total shares outstanding (in thousands): 32,000

Consistent Dividends



**Compounded
Annual Return[#]
of **~17.3%**
over the last 10 years**

Note: [#]Annualized Return calculated as sum of share price appreciation/depreciation and dividends paid during the period ending 30th June 2021, assuming no reinvestment of dividends
*Dividend of SAR3.0 per share has been declared in Jun' 21

Going Forward...

As the exceptional tailwinds of last year's Q1 subsided, the revenue and profitability of this quarter in comparison are lower, which have also been impacted by the following macro level factors:

- Surplus fresh milk converted to long life milk, supported by irrational discounting affecting SAR/liter revenue negatively*
- Prolonged school closure*
- Decline in consumer spending power*
- Lower consumer base*
- Higher raw material prices and freight costs*

We expect these challenges to continue in the short term, however measures to control the pandemic situation; increasing inflationary pressures; recovery of economies; and travel will reverse these adverse effects

Trusted by **Generations**

