



# Earnings Presentation

October 2021



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# Key Highlights

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- ▶ SADAFCO's sales were SAR 530Mln for Q2'2021/22, a decline of 1.0% vs same quarter last year. Decline was mainly due to lower sales of RTD Milk, Tomato Paste which was partially offset by higher sales of Ice Cream
- ▶ We see early signs of reduced irrational pricing behavior leading to improved market dynamics.
- ▶ Ice Cream sales continue to grow and are up by 11.8% vs same quarter last year
- ▶ Favorable product and channel mix resulted in a healthy Gross Margin of 31% for the quarter despite a sustained increase in global commodity prices and logistics costs

### New Product Launches



Premium Chocolate  
Ice Cream Stick  
"FEAST" | 80ml

### Recent Developments

- SADAFCO secured the 'Saudi Made' certification permitting to put the specific logo on communication and packaging
- Final dividend of SAR 3/ share paid to shareholders (Full year SAR 6/ share vs SAR 5 share last year)

# Business Highlights

## Financial Highlights- SADAFCO

### Sales

**1.0%**  
YoY

Q2'2021/22:  
**SAR530Mln**  
Q2'2020/21:  
**SAR535Mln**

### Net Profit

**23.6%**  
YoY

Q2'2021/22:  
**SAR54Mln**  
Q2'2020/21:  
**SAR70Mln**

### Cash and Cash Equivalents

**1.5%**  
YoY

Q2'2021/22:  
**SAR619Mln**  
Q2'2020/21:  
**SAR610Mln**

## SADAFCO's Market Share\*



UHT Milk  
**61.1%**



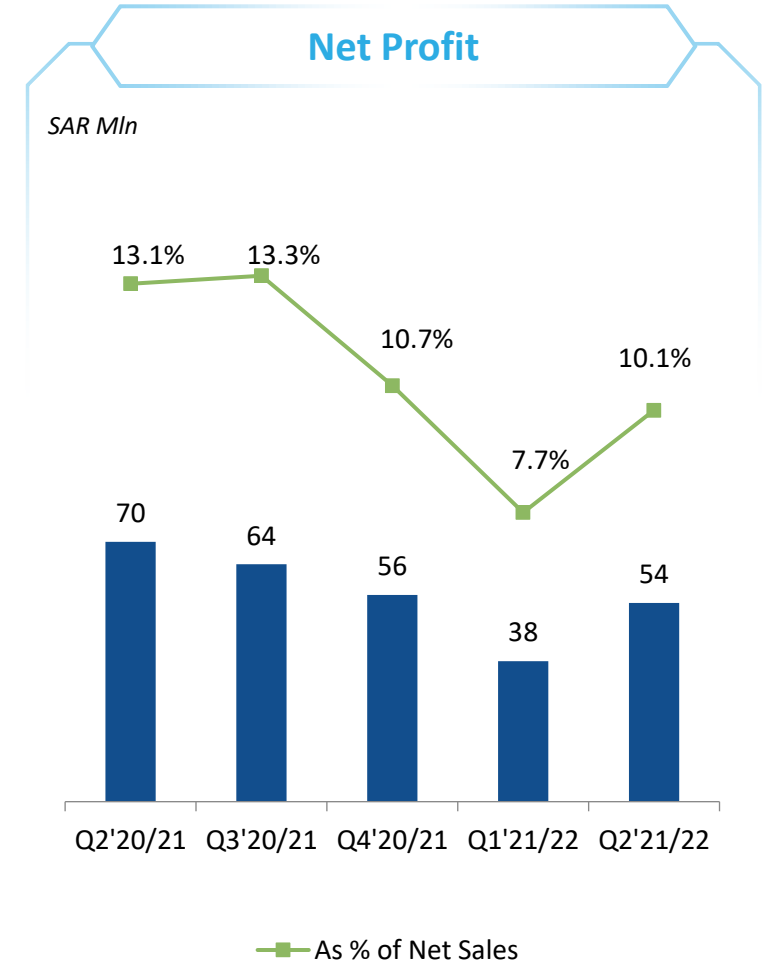
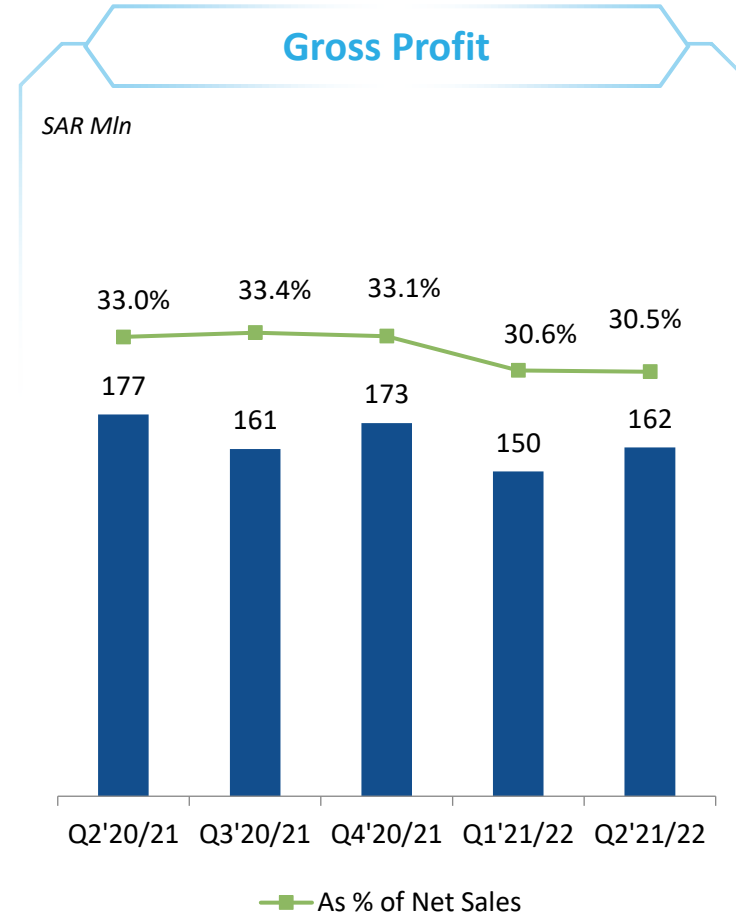
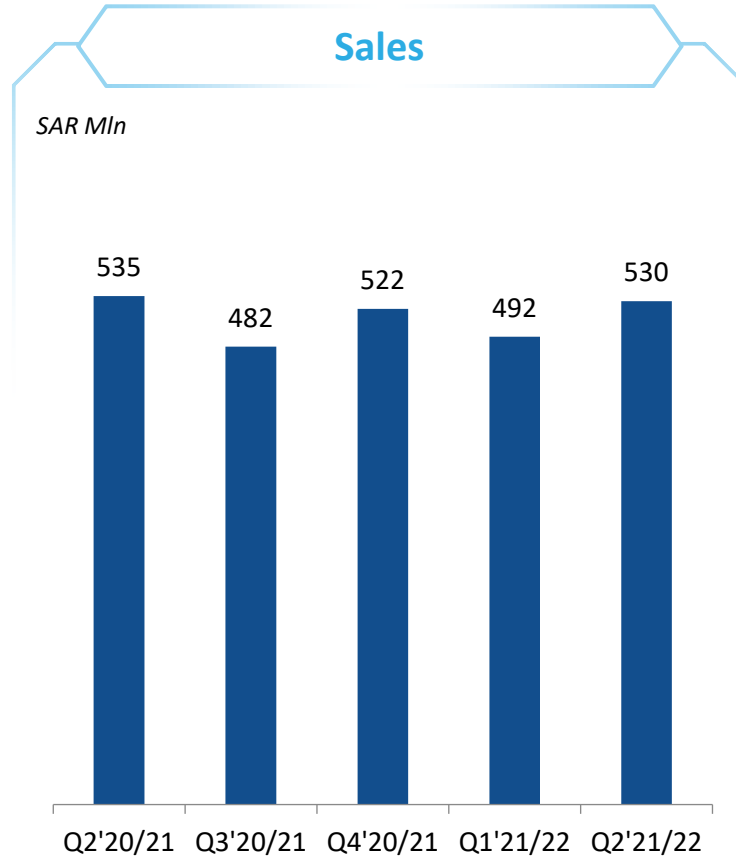
Tomato Paste  
**51.6%**



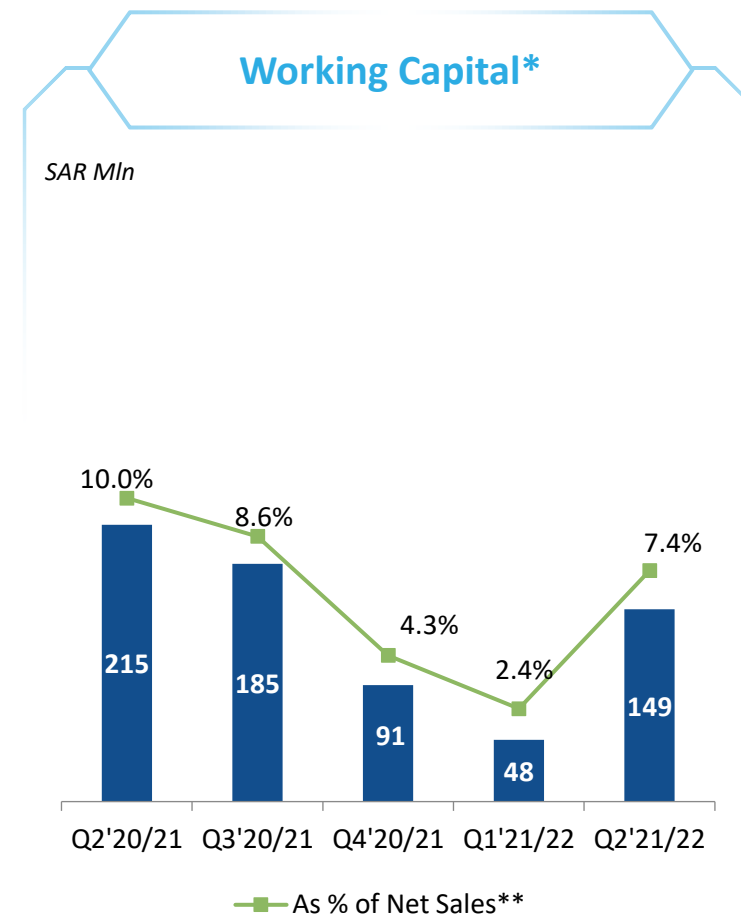
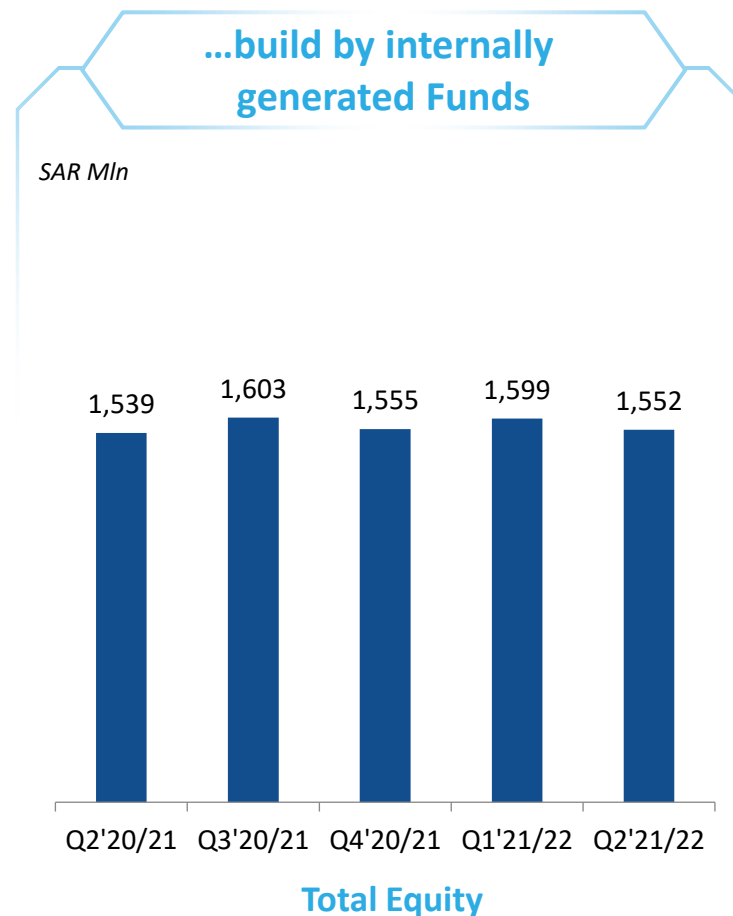
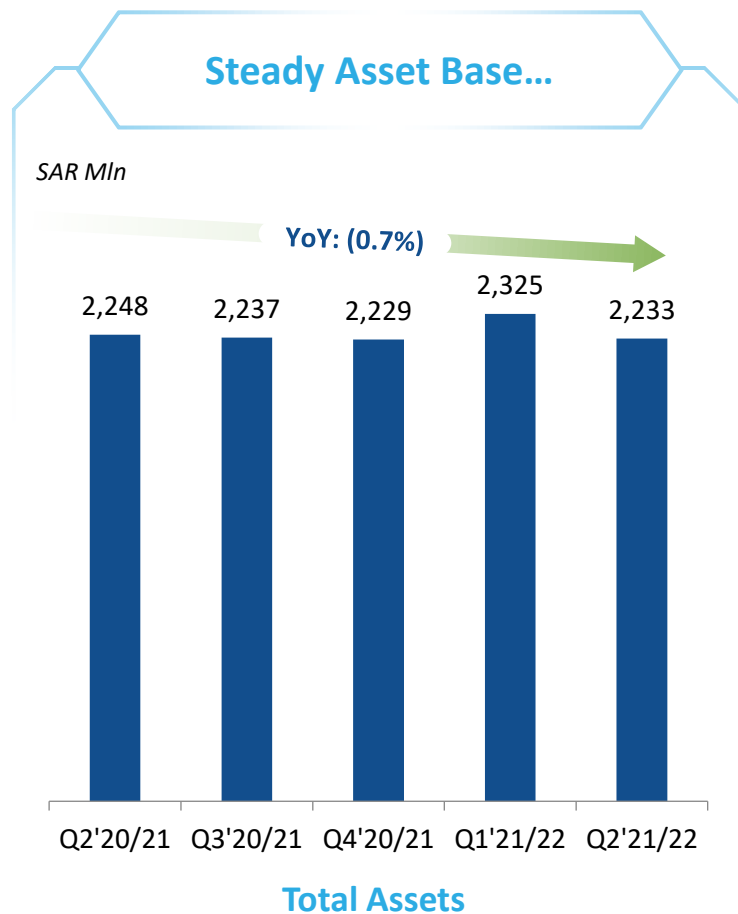
Ice Cream  
**27.1%**

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

# Sales & Profitability



# Balance Sheet



Note:

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

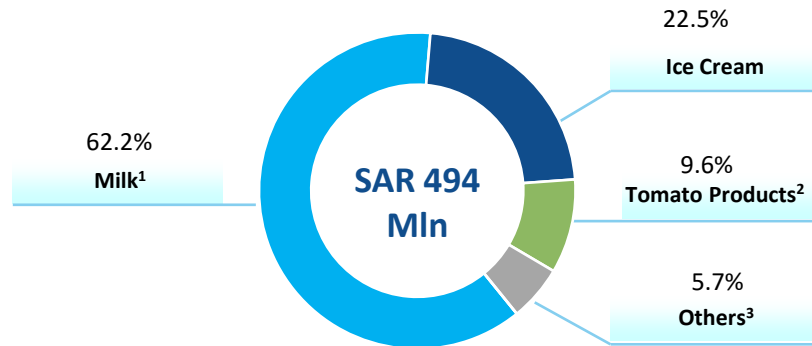
Current Assets: Account receivables + Inventories + Deposits, prepayments & other current assets

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

\*\*Rolling 12-months net sales

# Sales Reporting

## Q2'21/22 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

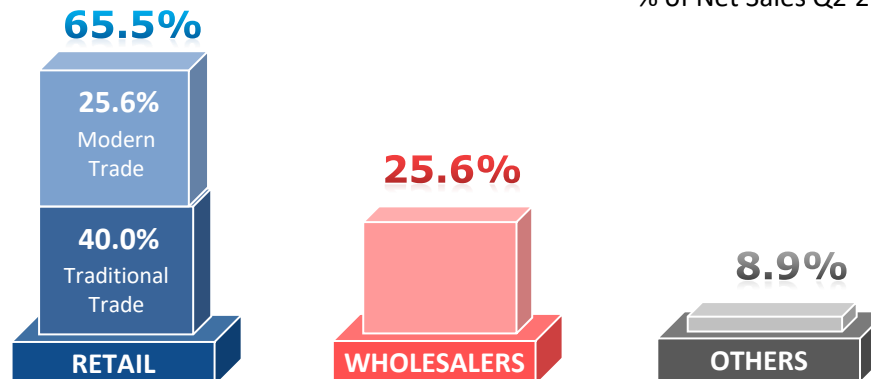
\*Note: SADAFCO Standalone figures

## Key Category – Sales\*

	Net Sales – Q2'21/22 (SAR Mln)	% y-o-y growth
 Milk <sup>1</sup>	<b>307</b>	<b>-5.6%</b>
 Ice Cream	<b>111</b>	<b>11.8%</b>
 Tomato Products <sup>2</sup>	<b>48</b>	<b>-1.9%</b>

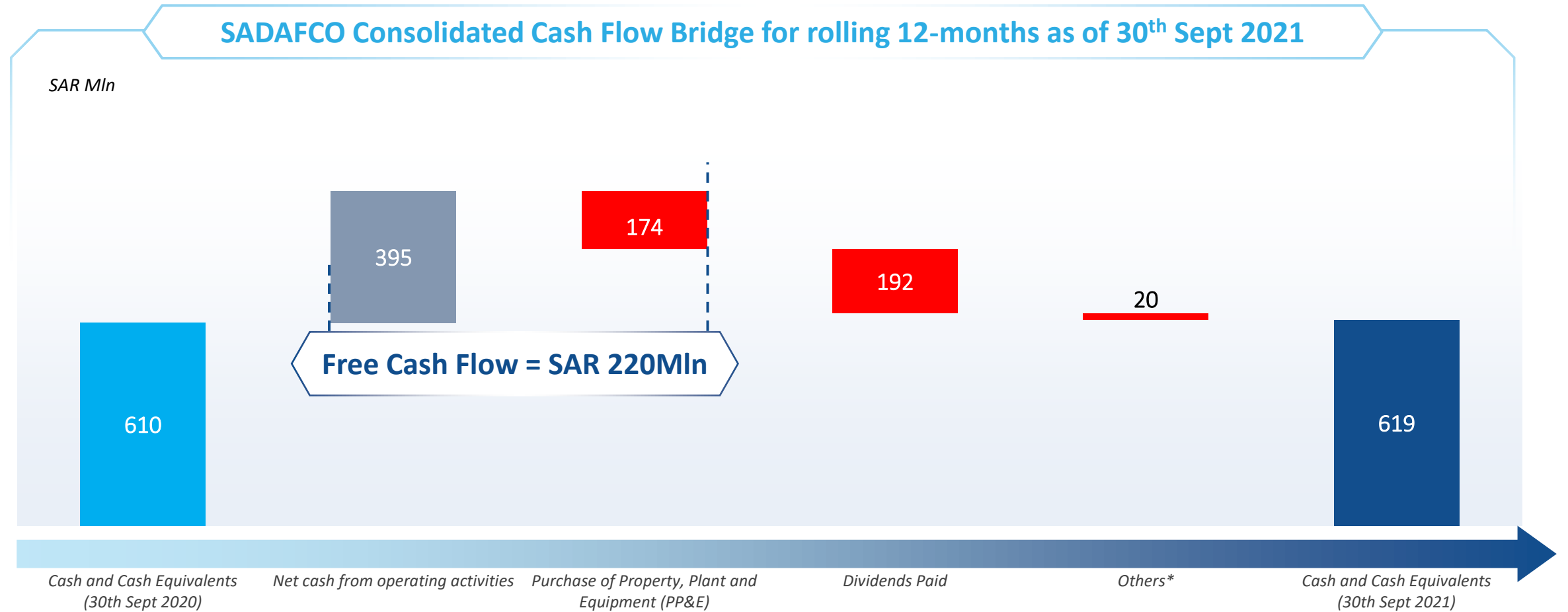
## Distribution Format\*

% of Net Sales Q2'21/22



**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)



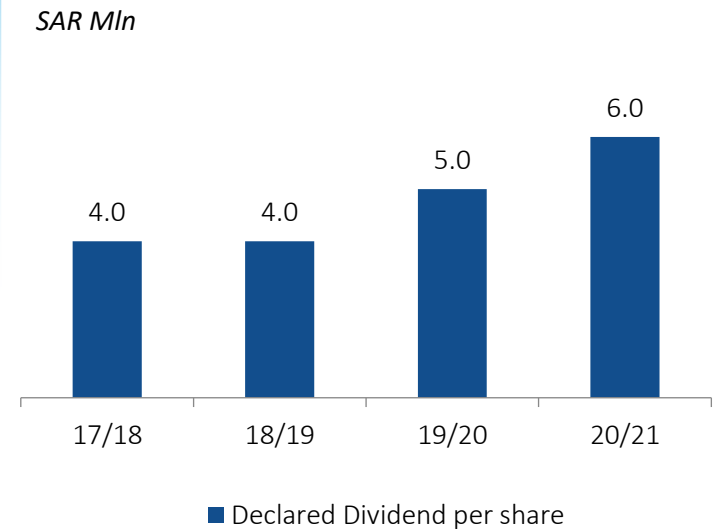
# Shareholders' Returns

## Share Price Performance



Source: Tadawul, Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 41.0 on 28<sup>th</sup> Sept 2011); Total shares outstanding (in thousands): 32,000

## Consistent Dividends



**Compounded  
Annual Return<sup>#</sup>  
of **~17.5%**  
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> Sept 2021, assuming no reinvestment of dividends

# Going Forward...

*The revenue and profitability of this quarter has improved compared to the last quarter. This also showcases improving business environment domestically with school opening, relaxation of covid restrictions, reduction in irrational pricing behavior, all leading to better business dynamics.*

*In 2022, we expect cost of raw materials to remain firm and up. International logistics will remain challenging. Despite all this, we have been able to serve the market in an adequate manner.*



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