



Earnings Presentation

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Key Highlights

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- ▶ Higher net profit mainly driven by higher sales and favourable product and channel mix
- ▶ Milk sales were higher primarily due to lower intensity of milk category discounting
- ▶ Gross margin for the quarter was higher than last year due to number of factors including stronger sale of ice creams and lower discounting pressure on milk
- ▶ Higher selling and distribution costs were due to increased A&P investment securing our premium position

New Product Launches



**Baboo Stick
Vanilla**



**Milk Powder
800g Pouch**

Recent Developments



Installation and commissioning of bakery section in Jeddah Central Warehouse (JCW) ongoing

Business Highlights

Financial Highlights – SADAFCO*

Sales

13.5%

YoY

H1'2019/20 :
SAR1,006mn

H1'2018/19 :
SAR887mn

Net Profit

18.5%

YoY

H1'2019/20 :
SAR123mn

H1'2018/19 :
SAR104mn

Operating Cash Flow

14.4%

YoY

H1'2019/20 :
SAR124mn

H1'2018/19 :
SAR145mn

SADAFCO's Market Share



UHT Milk
62.3%



Tomato Paste
54.5%

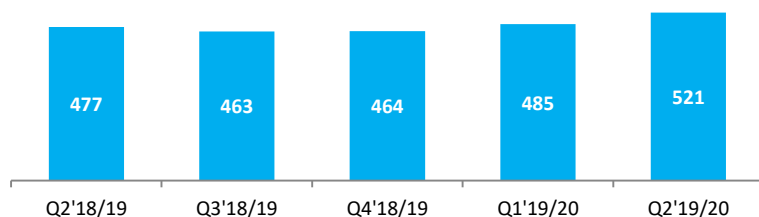


Ice Cream
24.8%

Source: Neilson Retail Audit Aug'19
*Includes SADAFCO Poland financials

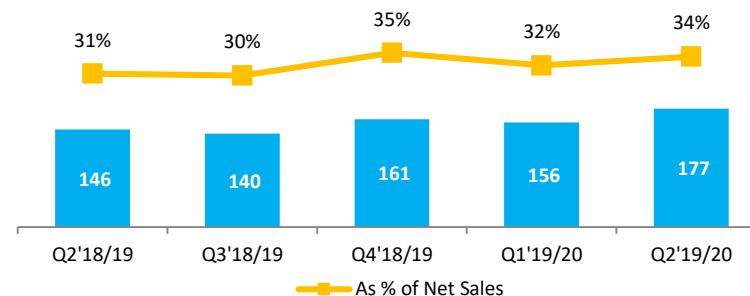
Sales*

SAR mn



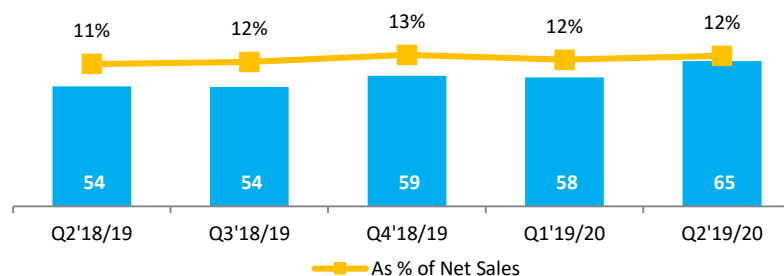
Gross Profit*

SAR mn



Net Profit*

SAR mn

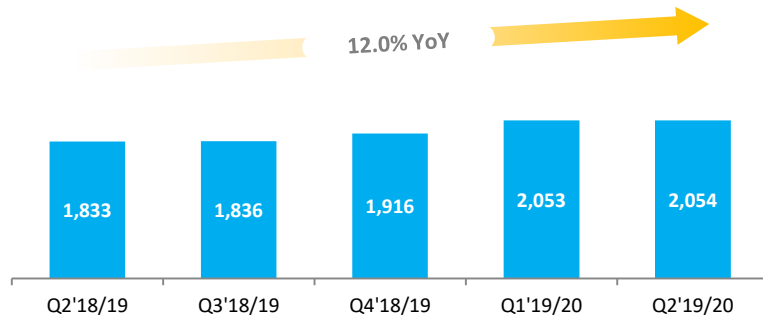


*Includes SADAFCO Poland financials

Balance Sheet

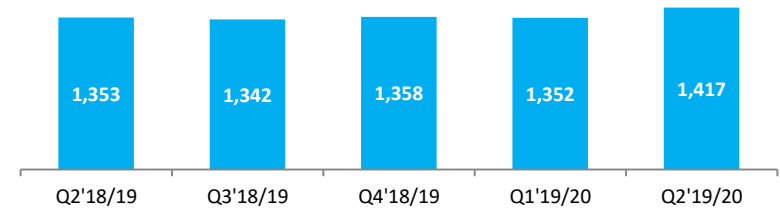
Steady Asset Base...

SAR mn



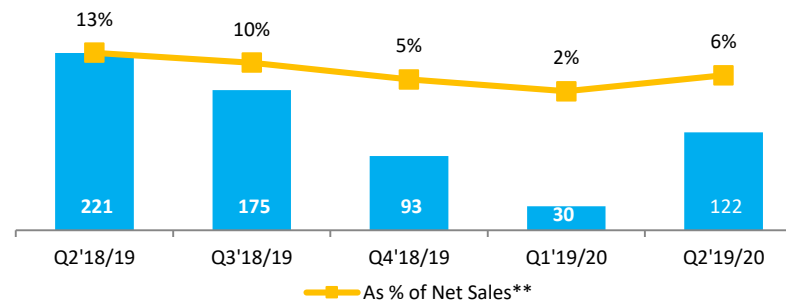
...build by Internally generated funds

SAR mn



Working Capital*

SAR mn



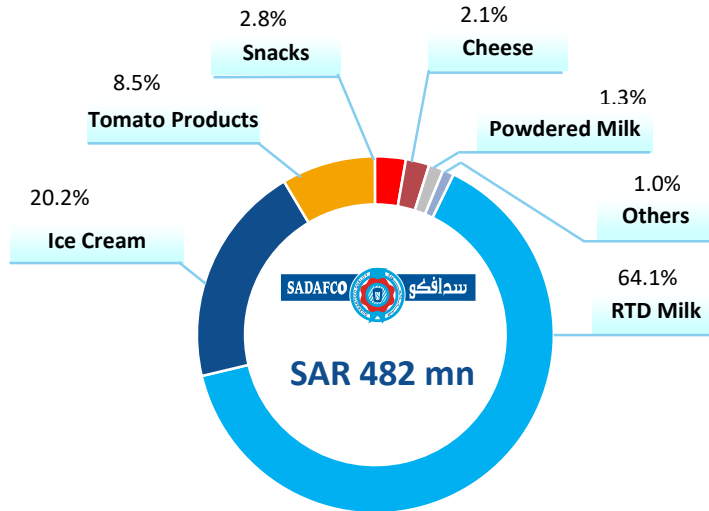
Note: *Working Capital calculated as Current Assets net of Current Liabilities.

Current Assets: Accounts receivable + Inventories + Deposits, prepayments & other current assets




Current Liabilities: Accounts payable + Due to related parties + Accrued zakat + Accruals & other current liabilities + Current portion of lease liabilities

**Rolling 12-months net sales

Q2'19/20 Sales By Category*

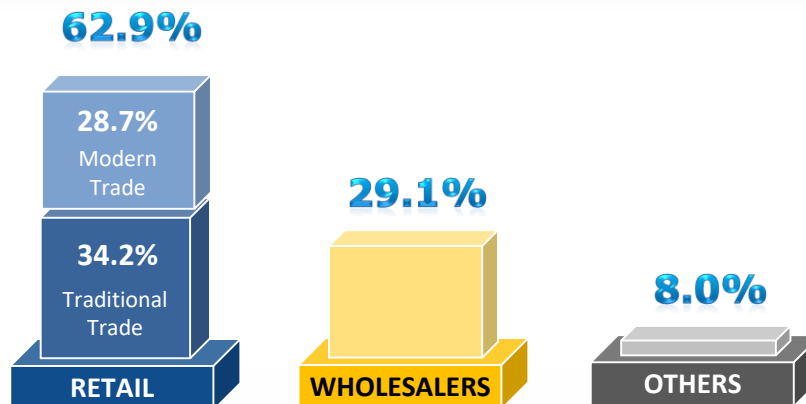


Key Category – Sales*

Categories	Net Sales – Q2'19/20 (SAR mn)	% y-o-y growth
 RTD Milk	309.0	11.4%
 Ice Cream	97.2	16.5%
 Tomato Products	41.1	23.6%

Distribution Format*

% of Net Sales Q2'19/20



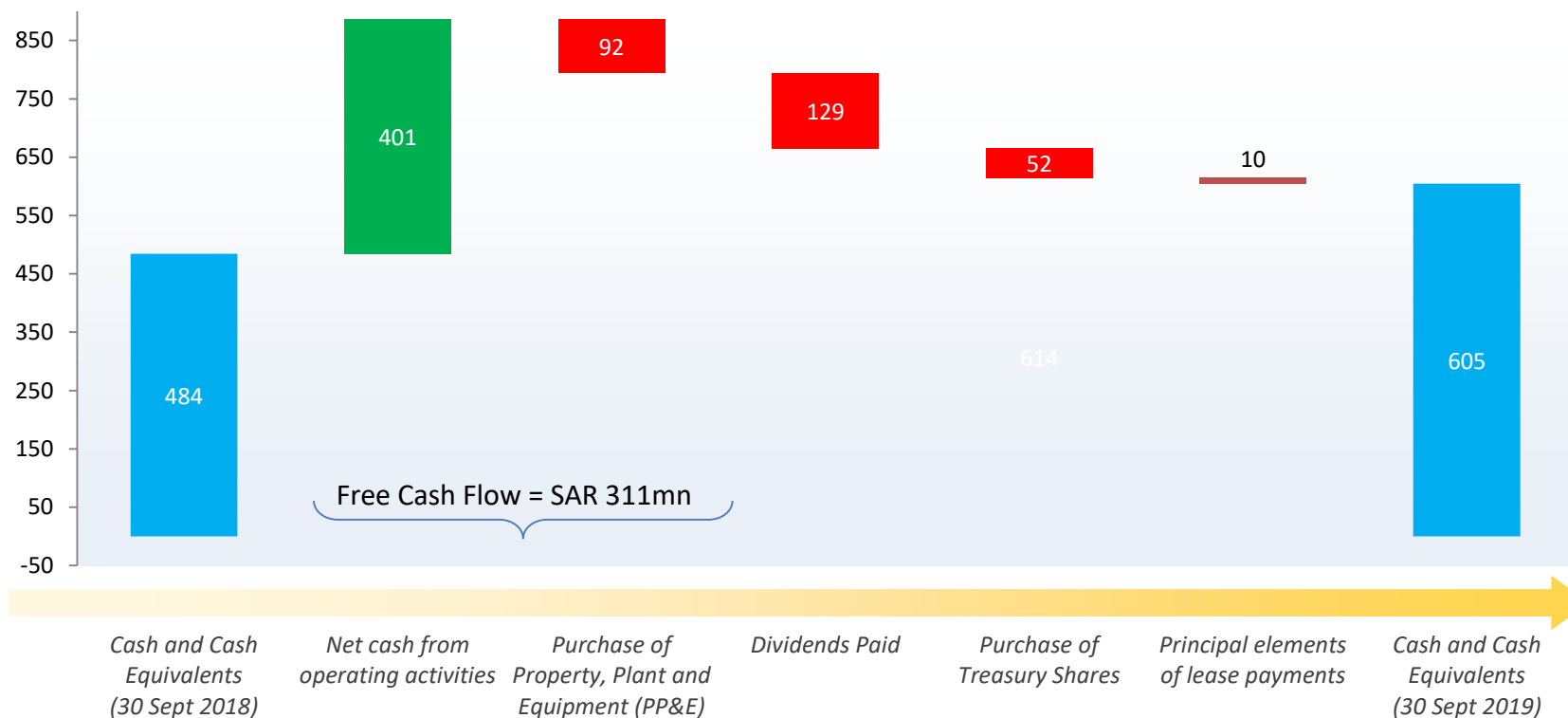
Traditional Trade & Modern Trade are the leading channels...with Wholesale also contributing significantly

*Note: SADAFCO Standalone figures.

Cash Flow Summary

SADAFCO Cash Flow Bridge for rolling 12-months as of 30 Sept, 2019

SAR mn





Ice Cream



UHT Milk

- UHT Milk - Whole, Low Fat, Skimmed, Gold Milk
- Flavored Milk
- Date Milk
- Milk Powder
- EVAP
- Laban



Tomato Products

- Tomato Paste
- Organic Tomato paste
- Tomato Paste Sachet
- Ketchup
- Fiery Ketchup



Cheese Products

- Feta Cheese
- Processed Cheese – Triangles



Snacks (Crispy)



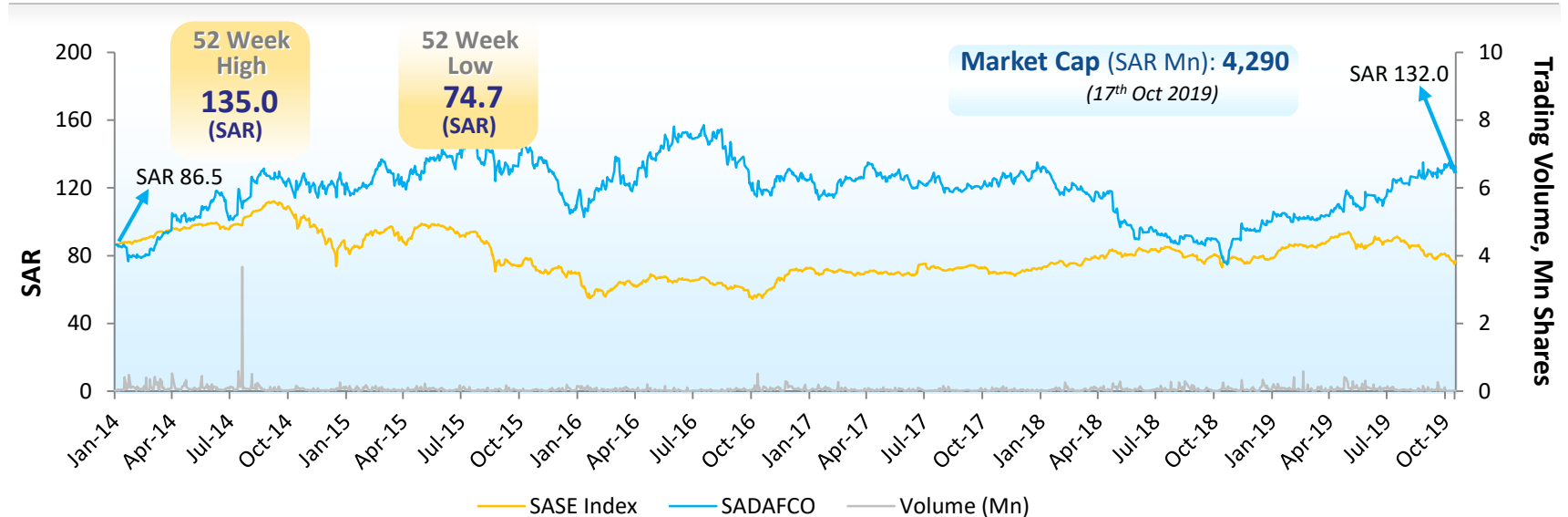
Other Products

- Butter
- French Fries
- Jump
- Cream
- Majestique
- Soy Drink
- Still Water
- Juices
- Growing-up



Shareholders' Returns

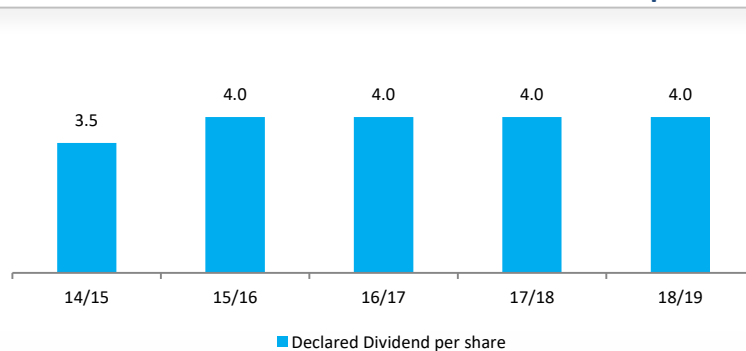
Share Price Performance



Source: Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 86.5 on 01 January 2014)

Consistent Dividends

SAR per share



Compounded Annual
Return[#] of

4.4%

over the last 5 years

Note: [#]Annualized Return calculated as sum of share price appreciation/depreciation and dividends paid during the period ending 17th Oct 2019, assuming no reinvestment of dividends

Our performance in Q2 represents a continuation of the encouraging trend seen in the last few quarters of higher year on year sales and profit delivery. Sales of all three key pillar categories are higher vs. last year (RTD Milk up 11%, Ice Cream up 16% and Tomato Paste up 25%).

Gross margin mix improved significantly by 341 basis points over the last year. This increase can be attributed to stronger sales of ice creams (seasonality), lower discounting pressure on milk; all more than offsetting a moderate increase in raw materials price pressure.

The results of our sustained investment in order to strengthen our premium position in the forefront of our customer's minds.