



Earnings Presentation

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 like-for-like (LFL) sales (excluding Mlekoma) were SAR 39.1Mn (10.3%) above those achieved in the same quarter last year
- ▶ Recovery in Milk sales and higher sales realization per liter
 - ▶ Total Milk sales grew faster than the market on both volume and value during the past few months
- ▶ Plain milk market recovered in terms of value and SADAFCO has been ahead of the market
- ▶ In Tomato Paste, SADAFCO grew faster than the market on Value and Volume front during the past few months

Mlekoma Integration



- *During this year we have begun integrating Mlekoma into our business*
- *Prime focus of Mlekoma is to be an option for SADAFCO to source a key ingredient of our business*
- *Plan to drive both product range expansion as well as efficiency programmes in the future*

Business Highlights

Financial Highlights-SADAFECO*

Sales

7.1%

YoY

FY'2018/19 :
SAR1,813mn

FY'2017/18 :
SAR1,693mn

Net Profit

17.0%

YoY

FY'2018/19 :
SAR216mn

FY'2017/18 :
SAR260mn

Operating Cash Flow

23.6%

YoY

FY'2018/19 :
SAR422mn

FY'2017/18 :
SAR341mn

SADAFECO's Market Share



UHT Milk

62.2%



Tomato Paste

48.2%



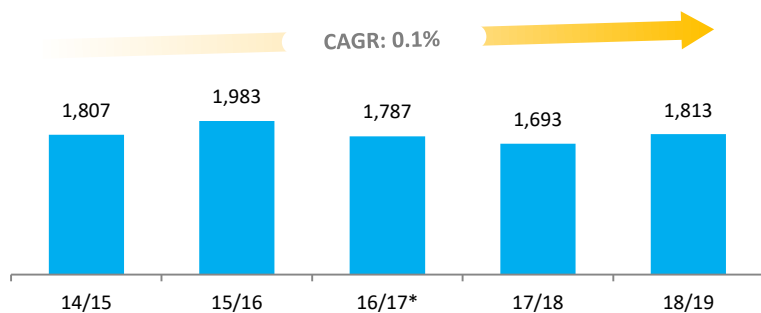
Ice Cream

24.7%

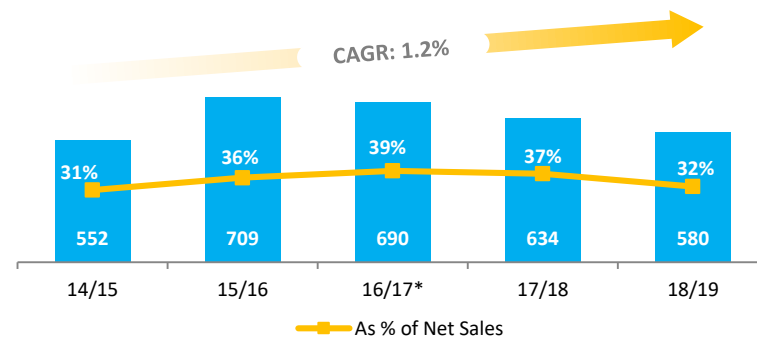
Source: Neilson Retail Audit Mar'19

*Includes Includes SADAFECO Poland financials

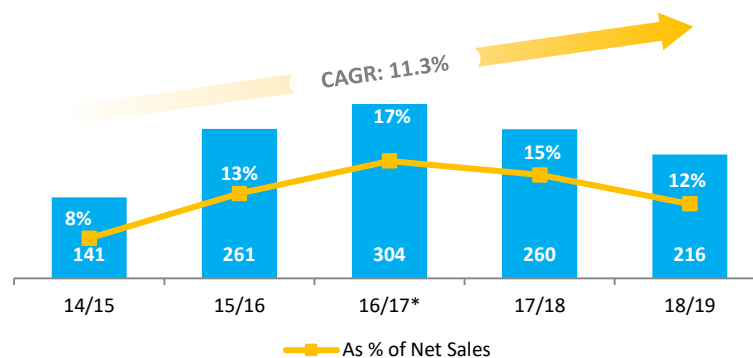
Sales SAR mn



Gross Profit SAR mn



Net Profit SAR mn

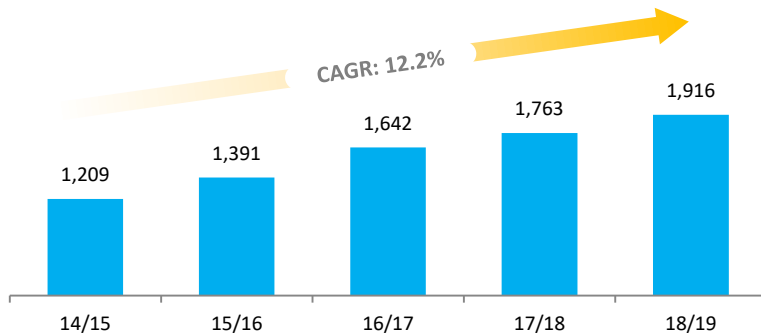


* Income Statement for FY16/17 has been reclassified as per IFRS

Balance Sheet

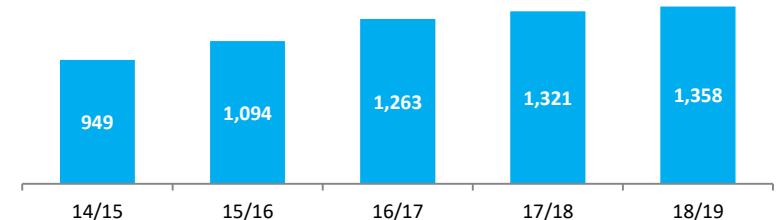
Steady Asset Base...

SAR mn



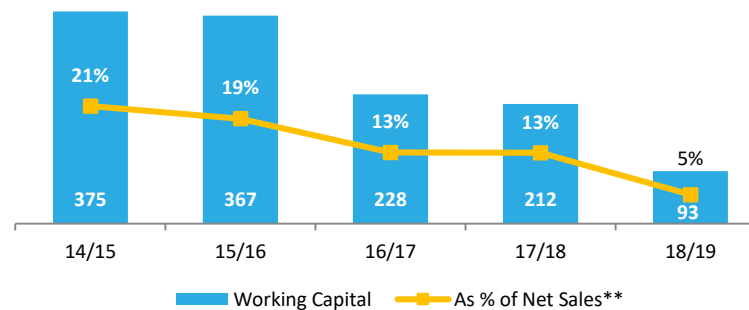
...build by Internally generated funds

SAR mn



Working Capital*

SAR mn



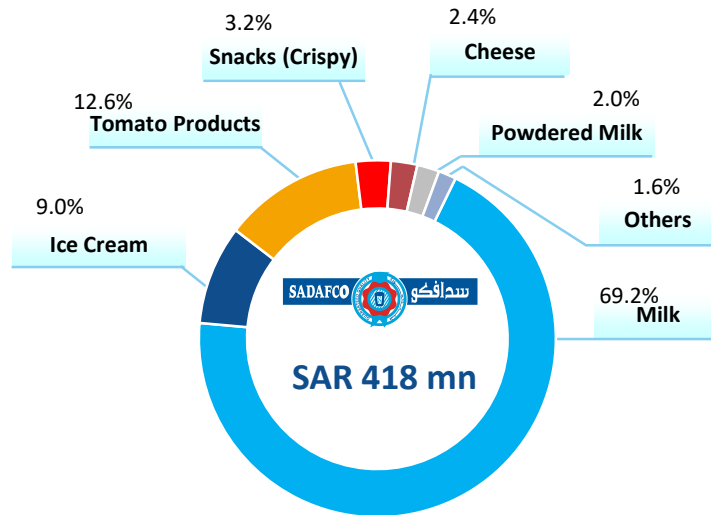
Note: *Working Capital calculated as Current Assets net of Current Liabilities.

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




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

**Rolling 12-months net sales

Q4'18/19 Sales By Category*

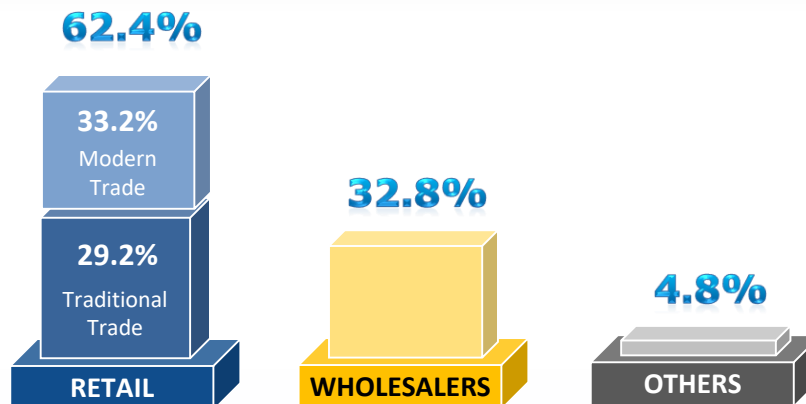


Key Category – Sales*

Categories	Net Sales – Q4'18/19 (SAR mn)	% y-o-y growth
 Milk	289.0	13.0%
 Ice Cream	37.6	1.2%
 Tomato Products	52.8	17.8%

Distribution Format*

% of Net Sales Q4'18/19



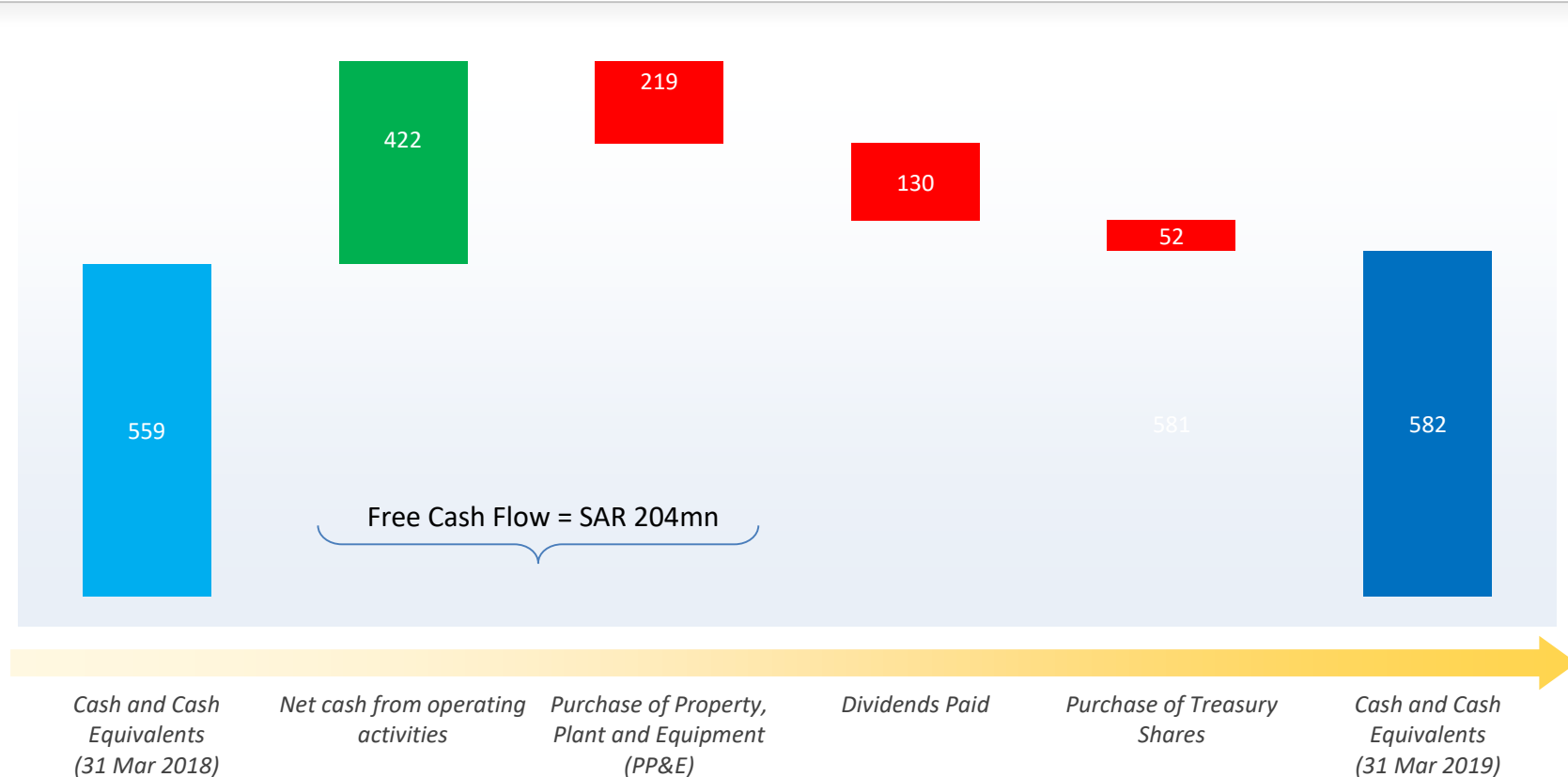
Modern Trade had a marginally higher share of Net Sales compared to Traditional and Wholesale Channels

*Note: SADAFCO Standalone figures.

Cash Flow Summary

SADAFCO Consolidated Cash Flow Bridge for rolling 12-months as of 31 Mar, 2019

SAR mn



Note: Does not depict other cash outflow of ~SAR0.976mn which includes effect of exchange rate fluctuations

Recent Development...JCW Ready for Operations

Jeddah Central Warehouse Project Completed

The recently built Jeddah Central Warehouse (JCW), the largest warehouse in SADAFCO's network, will commence operations from April, 2019.

- It has a total capacity of over 42,000 pallets built over three floors
- Provides three different storage solutions, including a fully automated 15,000 plus pallet put-away, storage and retrieval
- The warehouse stores raw material and packaging material for use in the Jeddah Factories along with the externally manufactured finished goods and production
- In addition, space has been allocated for the installation of a baking production line which will go live during 2019

Key Benefits



- Removes the requirement to store raw material in third party storage facilities
- Moves the inventory much closer to the factories driving down logistics costs
- Helps reduce the stock holding in the network as inventory management moves from a push to a pull solution
- Reduces working capital and drives product availability



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)



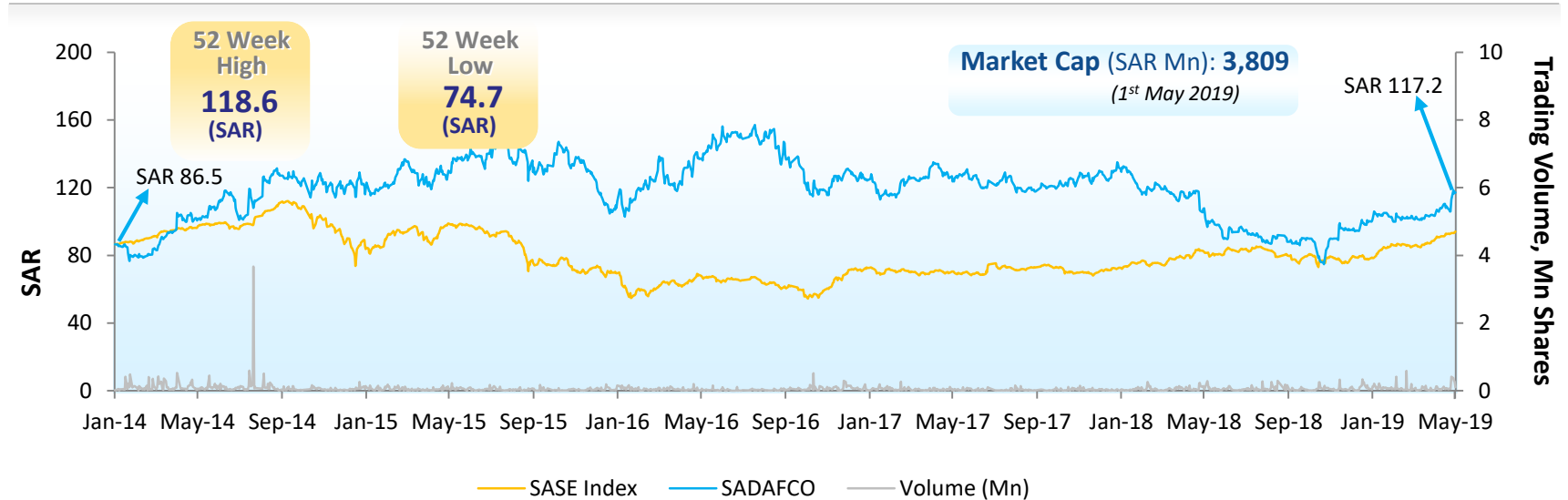
Other Products

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



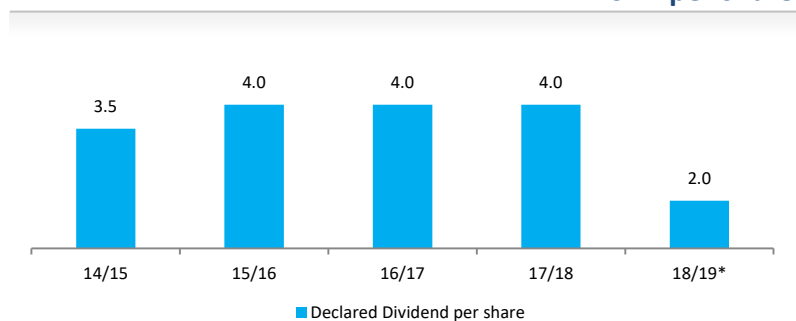
Shareholders' Returns

Share Price Performance



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

Consistent Dividends



**Compounded Annual
Return[#] of**

3.4%

over the last 5 years

Note: [#]Annualized Return calculated as sum of share price appreciation/depreciation and dividends paid during the period ending 1 Apr 2019, assuming no reinvestment of dividends

* Interim dividend of SAR 2/ share had been declared in Dec'18.

*This year has been all about adapting to the **new market conditions** driven by **broad macro factors** (smaller population following expat decline, lower disposable consumer income, more cost conscious consumers) in addition to **disruption in our key milk category**.*

*Growth of Sales in Modern Trade, Wholesale and OOH & Export channels, **more than offset** the structural industry wide weakening of the Traditional Trade contribution. However we will **continue to focus on strengthening** the traditional trade channel as the sector stabilizes.*

*We have also commenced with our **first share buyback programme** as approved in the EGM. In line with the stated rationale for undertaking this exercise, we continue to believe the **share price undervalues the underlying value of the business**, and we will **continue to evaluate purchases** until the window closes in December 2019*

*Our tight **focus on controlling our working capital** and capex spend, as well as **good operational cash generation**, led to a **record cash balance** at year end of SAR 582Mn.*