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# Investor Presentation

H1'23 results



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3 August 2023

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Agthia Group PJSC and its management may make certain statements that constitute “forward-looking statements” with respect to the financial condition, results of operations and business of the Group. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “intends,” “plans,” “goals,” “believes,” “continues” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.” Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Agthia Group PJSC to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Examples of such statements include, but are not limited to, comments with respect to: 1. outlook for the markets for products; 2. expectations regarding future product pricing; 3. outlook for operations; 4. expectations regarding production capacity and volumes; 5. objectives; 6. strategies to achieve those objectives; 7. expected financial results; 8. sensitivity to changes in product prices; 9. sensitivity to key input prices; 10. sensitivity to changes in foreign exchange rates; 11. expectations regarding income tax rates; 12. expectations regarding compliance with environmental regulations; 13. expectations regarding contingent liabilities and guarantees; 14. expectations regarding the amount, timing and benefits of capital investments. Although Agthia Group PJSC believes it has a reasonable basis for making these forward-looking statements, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to: 1. assumptions in connection with the economic and financial conditions in the UAE, Middle East, and globally; 2. effects of competition and product pricing pressures; 3. effects of variations in the price and availability of manufacturing inputs; 4. various events which could disrupt operations, including natural events and ongoing relations with employees; 5. impact of changes to or non-compliance with environmental regulations; 6. impact of any product liability claims in excess of insurance coverage; 7. impact of future outcome of certain tax exposures; 8. effects of currency exposures and exchange rate fluctuations. The above list of important factors affecting forward-looking information is not exhaustive. Additional factors are noted elsewhere and reference should be made to the other risks discussed in filings with UAE securities regulatory authorities. Except as required by applicable law, Agthia Group PJSC does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company, whether as a result of new information, future events or otherwise, or to publicly update or revise the above list of factors affecting this information.

# Agenda

1

Strategic  
update

2

Key financials

3

Segmental  
performance

4

Guidance

5

Appendix

# Recap: Our strategic vision to become a regional F&B leader by 2025



**Becoming a regional F&B leader by 2025**

**From...**



UAE centric



Commoditized portfolio



Stable financial performance



Local organization mindset



**To...**



Footprint MENAP & beyond



Value-add F&B brands



Strong shareholder returns



Consumer-centric & performance-driven



**Three strategic pillars to deliver on the vision**



**Growth**

Pursue disciplined expansion plan focused on M&A



**Efficiency**

Protect the core business and get leaner



**Capability**

Ensure our organization is set-up to deliver our strategy

## Progress on strategic vision – H1'23

### Delivering Growth

- **Reported revenue growth** +10.3% YoY; 3.6% from pricing & 6.7% from volume<sup>1</sup>
- Revenue growth +20.2% YoY **excluding EGP devaluation** impact
- **LFL revenue growth** +3.1% YoY; +12.3% excluding EGP devaluation impact
- Double digit growth from Snacking, Agri and Protein excluding FX impact; mid single-digit growth in Water & Food

### Driving Efficiency

- Focus on **productivity enhancement**:
  - >AED 165MN since Jan'21
- **EBITDA margin expansion +98bps**:
  - Strong margin expansion in Snacking (+434bps), Water & Food (+107bps) and Protein (+11bps); good group-wide cost discipline
- **Leveraging our Egyptian platform**:
  - Export revenue +18.2% YoY in AED
  - Strengthening our export focused resources; focusing on cross-selling opportunities across snacking portfolio

### Expanding Capabilities

- **Accelerating innovation**: new **gifting and travel ranges** within Snacking; **Al Ain Plus**, new functional water; **“Quality Standards Award”** by MoIAT<sup>2</sup> at the *“Make It In The Emirates”* Forum
- **Launch of “Agthia Ventures”** to expand innovation capabilities and drive profitable growth in new and existing markets
- **Accelerated our digital roadmap** through new hires and partnership agreement with Microsoft to accelerate B2B route-to-market digitization
- **Progressed our sustainability agenda**: first locally-produced 100% rPET water bottle; reduced water usage ratio and GHG scope 2 emissions by 2.5% and 2.0%, and electricity consumption by 2.1%.

<sup>1</sup>Volume growth including Abu Auf inorganic growth

<sup>2</sup> MoIAT = Ministry of Industry and Advanced Technology

## “Agthia Ventures”: USD 54m /AED 200m Corporate Venture Capital fund

Creating mutual value for investor and investee through fostering innovation, collaboration, and growth

Capital ready for deployment

USD 54m / AED 200m - funded by Agthia and ADQ

Defined mandate to drive profitable growth in new and existing markets

Branded products and emerging food and value chain technologies globally e.g. snacks and beverages, novel ingredients and proteins, innovative packaging solutions

Expand innovation capability

Low risk, early access to new technologies, capabilities and IP to drive growth and disruption

Highly experienced Fund Manager

Touchdown Ventures, a global leader in bespoke CVC programs

Attractive economics

Low-cost entry, high potential ROI on exit (IPO, acquisition etc)



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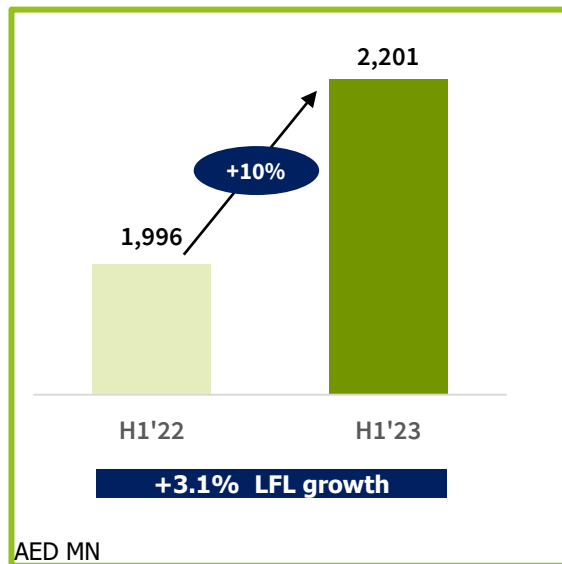
# Key Financials

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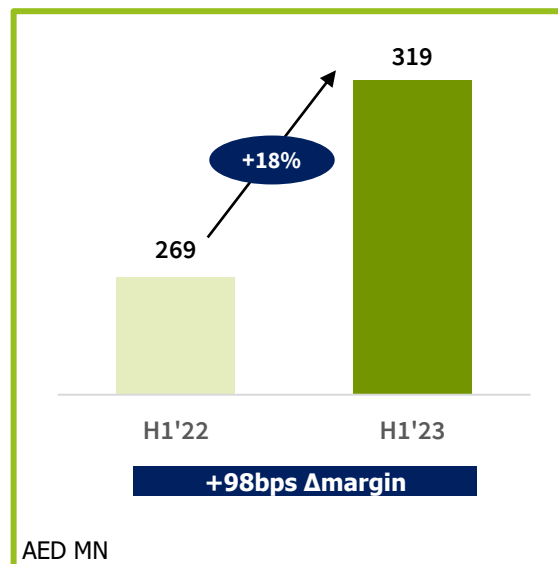


# H1'23 headlines: Strong and profitable growth across the half

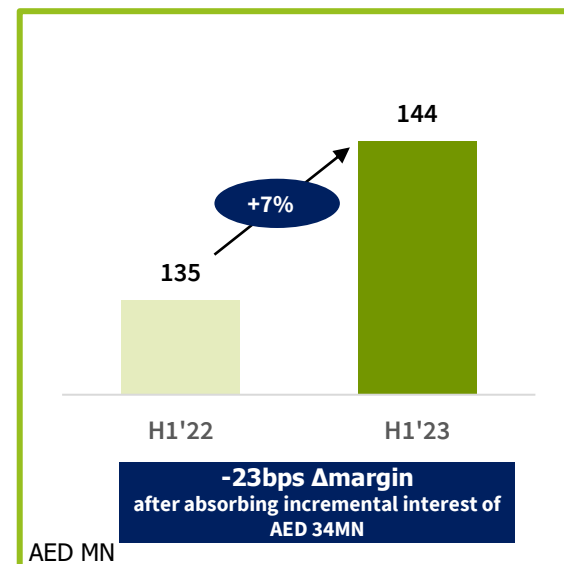
## Strong revenue growth..



## ..outpaced by EBITDA



## Healthy net profit<sup>1</sup> growth..



<sup>1</sup>Group net profit including minority interests

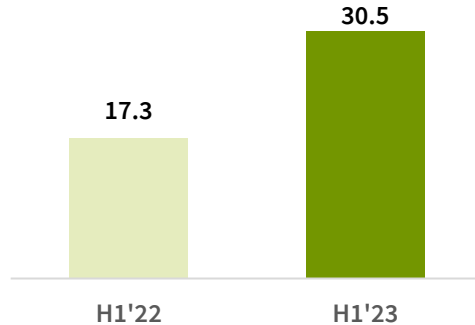


## ...amidst a challenging backdrop

### Commodity inflation

**+ AED  
46 MN**  
*additional  
commodity costs*

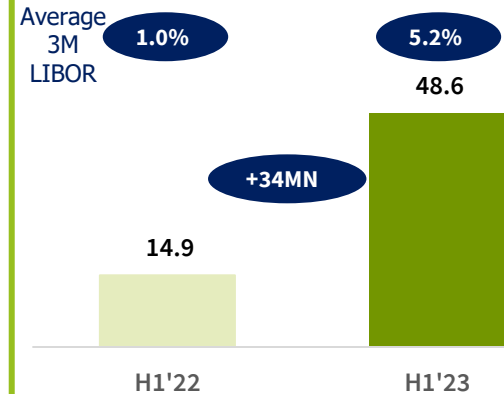
### EGP devaluation



Average EGP vs USD FX rate

Devaluation impact vs last year  
Revenue AED 197MN  
EBITDA AED 33MN  
Group Net income AED 20MN

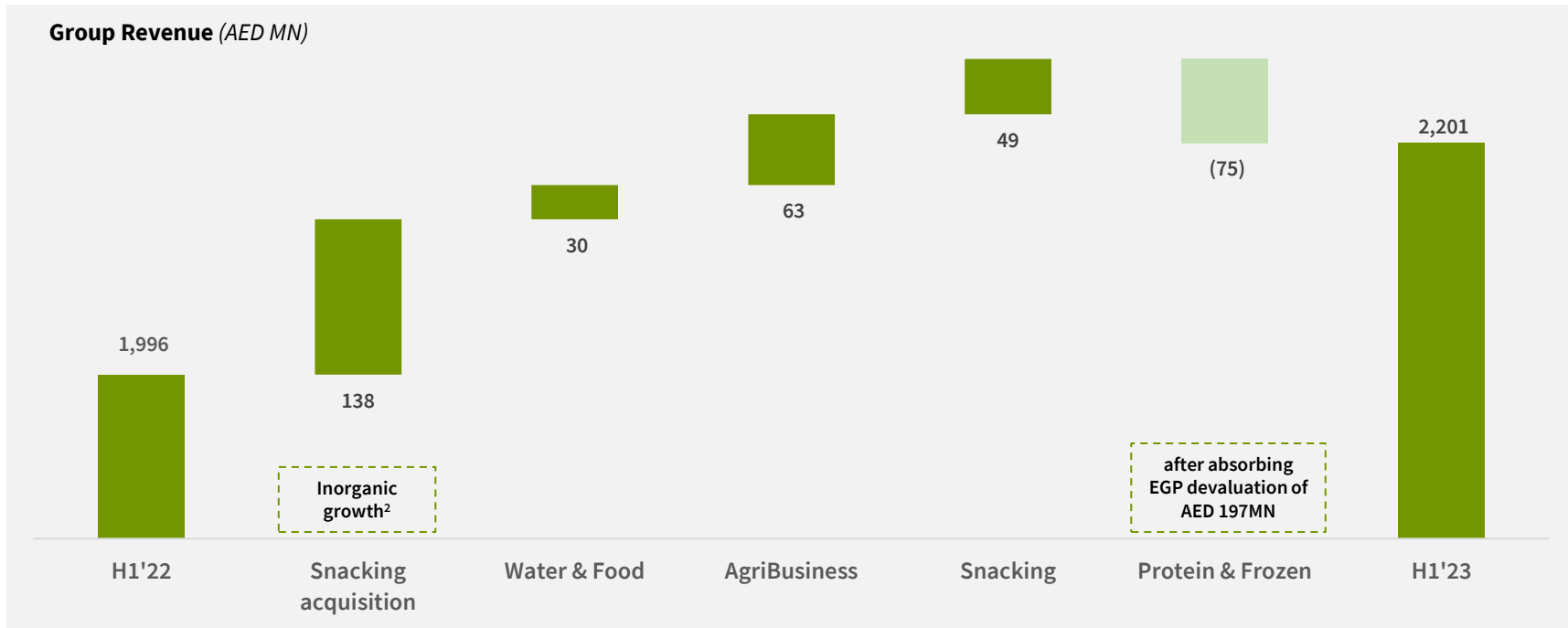
### Rising interest rates



Net Interest cost (AED MN)

# Strong topline growth driven by increased diversification and optimized mix

H1 2023 revenue growth +10.3% YoY, with 3.6% from pricing and 6.7% from volume<sup>1</sup>; +20.2% pre devaluation

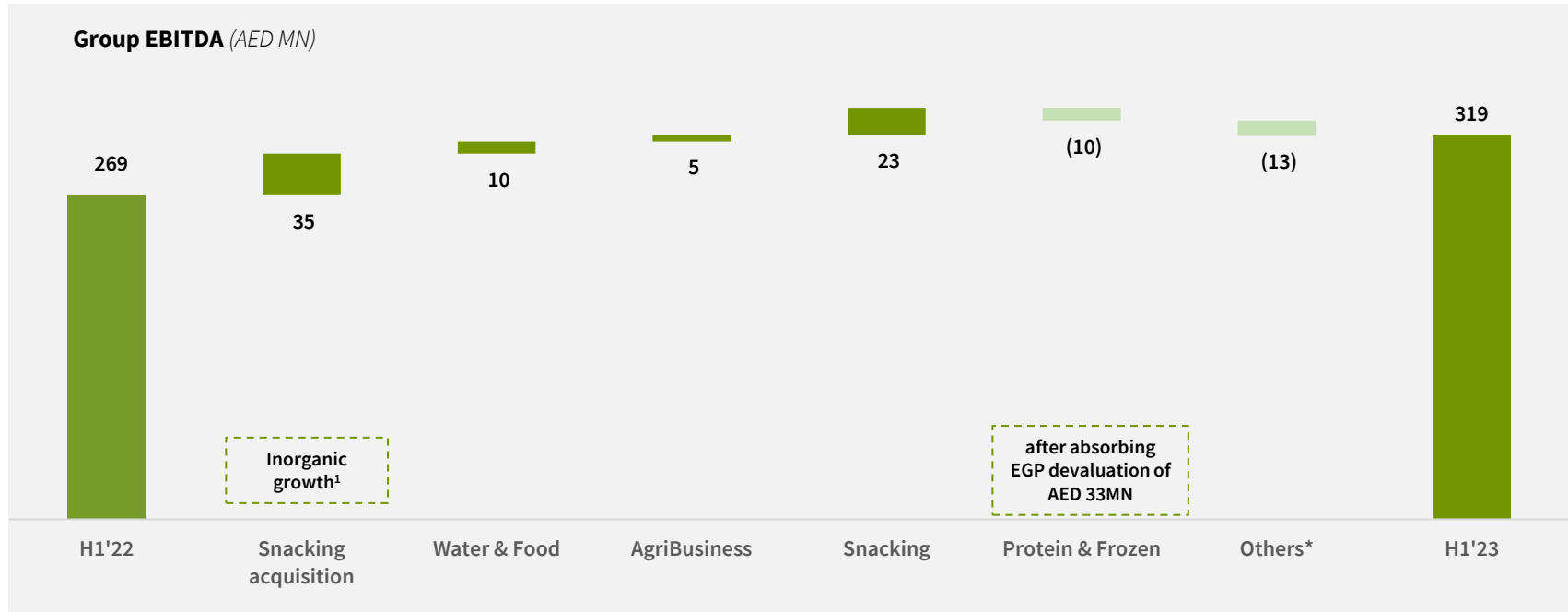


<sup>1</sup>Includes Abu Auf

<sup>2</sup>Snacking acquisitions (inorganic growth) includes Abu Auf (H1'23)

# EBITDA growth ahead of revenue driven by Snacking, Protein & Water segments

H1 2023 EBITDA growth +18.3% YoY, +31% pre devaluation

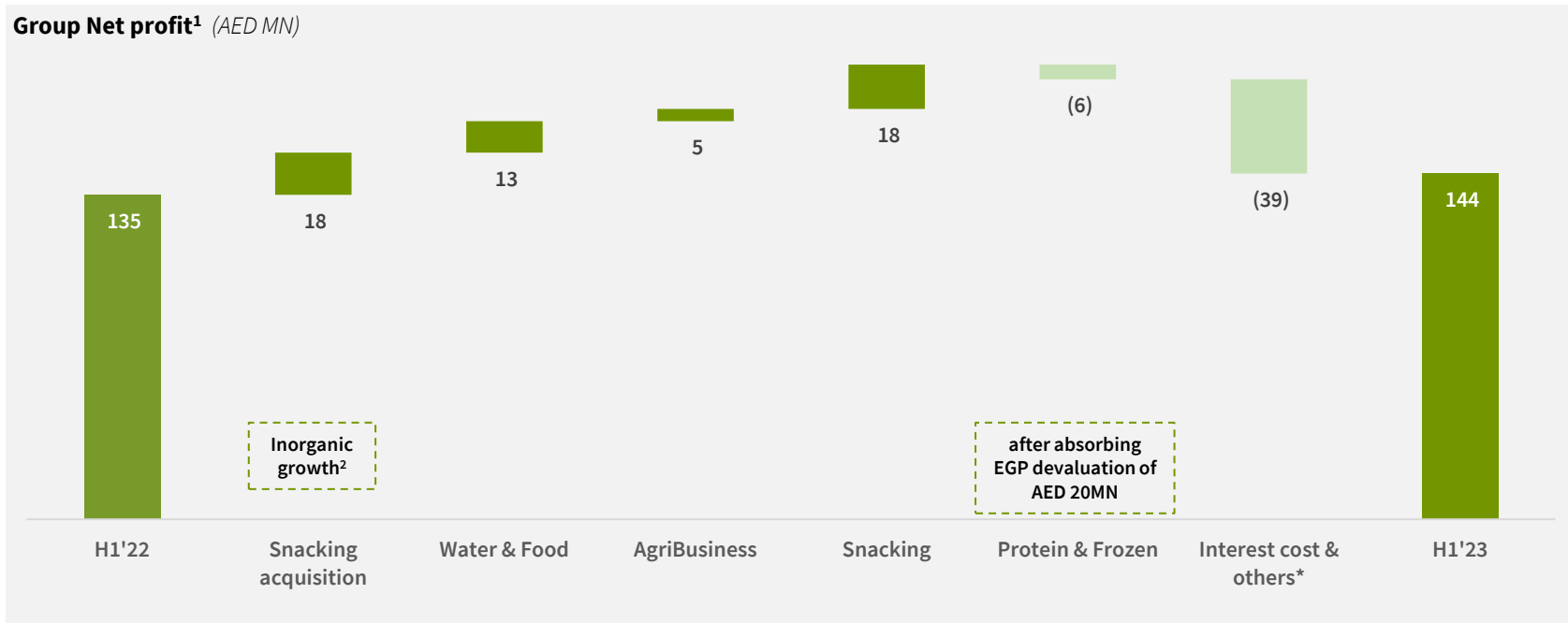


<sup>1</sup>Snacking acquisitions (inorganic growth) includes Abu Auf (H1'23)

\*Others include digital and capability investments

# Net profit growth despite higher interest rate environment

H1 2023 net profit growth +6.6% YoY, +21% pre devaluation



<sup>1</sup>Net profit including minority interest

<sup>1</sup>H1'23 includes incremental finance costs of AED 34MN

<sup>2</sup>Snacking acquisitions (inorganic growth) includes Abu Auf (Q1'22)

## Robust balance sheet with low leverage

Net debt / EBITDA

**1.9x**

*Down from FY'22 of 2.3x*

Interest coverage<sup>1</sup>

**6.6x**

*7.2x in FY'22*

Liquidity<sup>2</sup>

**AED 2.0BN**

Dividend yield<sup>3</sup>

**3.2%**

H1'23 recommended DPS + H1'22 actual DPS  
= AED 0.165

<sup>1</sup>Interest coverage = H1'23 EBITDA / (interest expense net of interest income)

<sup>2</sup>Liquidity = Available borrowing capacity (at 4x LTM EBITDA less H1'23 net debt) + H1'23 cash balance

<sup>3</sup>Yield at Agthia's closing share price on 26-Jun-2023



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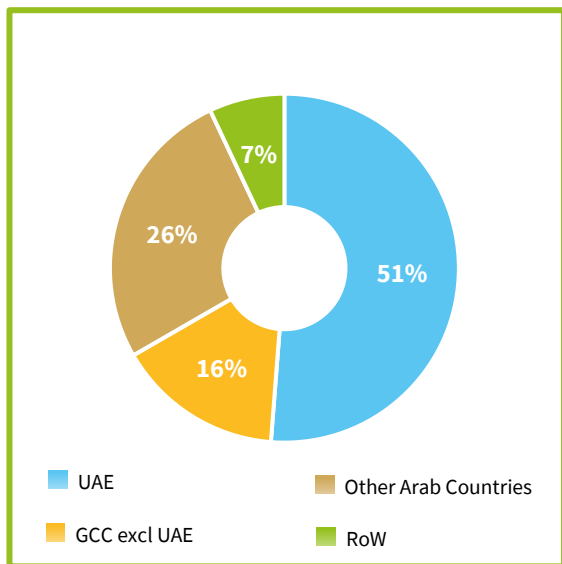
# Segmental performance

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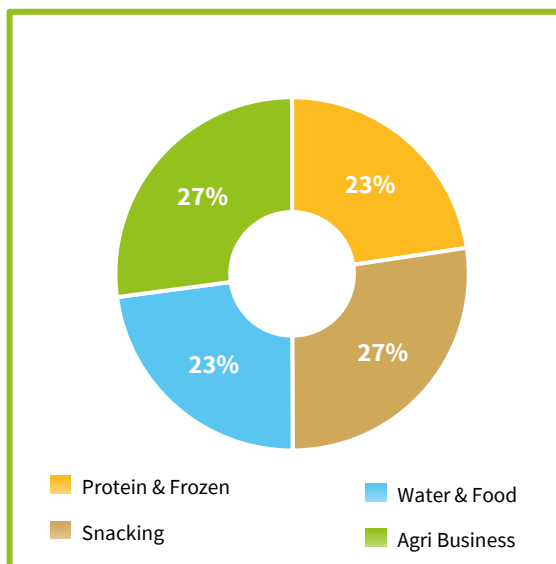


## Diversified growing portfolio in large scalable markets

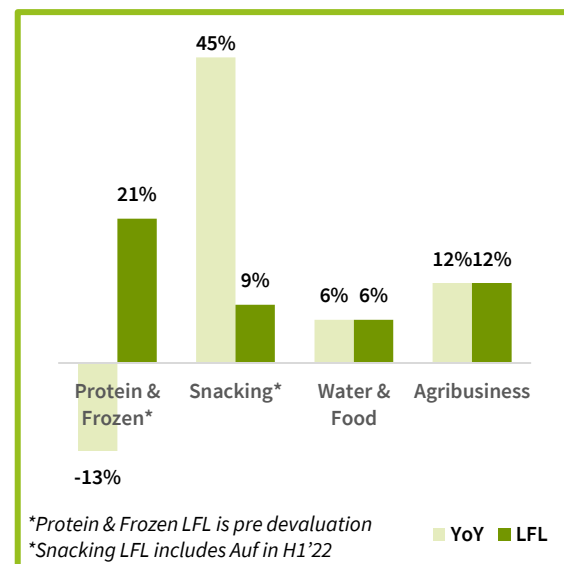
### Diversified revenue by geography..



### ..and segments..

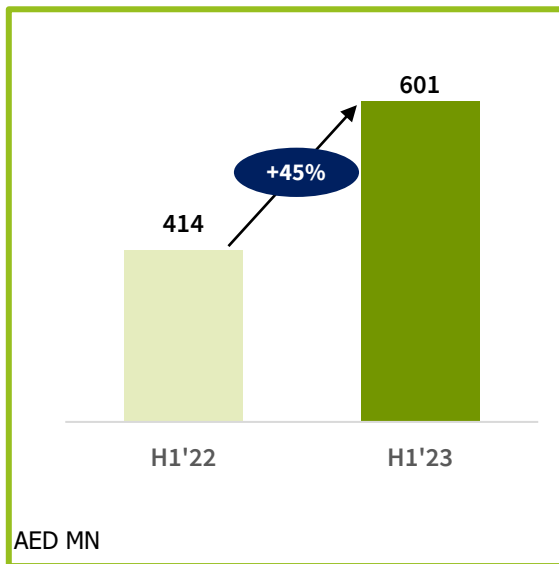


### ..with positive LFL growth

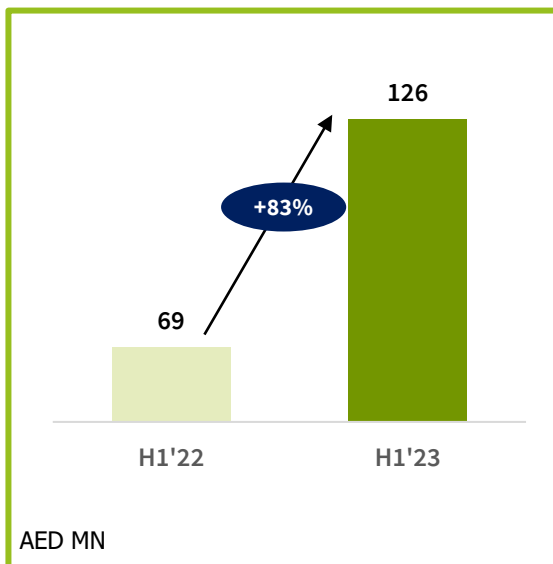


## Snacking: strong growth in dates and contribution from Auf

### Revenue



### EBITDA



### Commentary

#### Revenue

- LFL growth of 9% including Auf
- Dates: strong growth across key export markets (India, Indonesia, Malaysia, Brazil) on mix shift to retail; market share gain across UAE retail from product and packaging innovation
- Confectionery: focus on channel and distribution optimization in KSA for BMB snacks; AED 138MN contribution from Auf
- For Auf, local currency revenue +69% YoY on strong pricing and share gain in domestic coffee

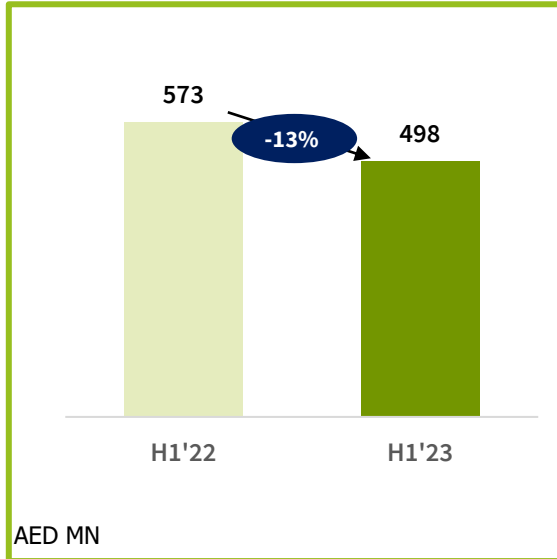
#### EBITDA

- EBITDA grew ahead of revenue on strong pricing, favorable channel mix and production and distribution optimization

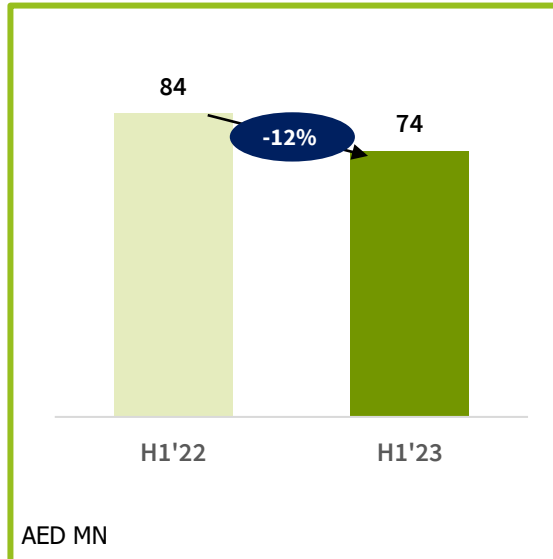


## Protein: improved margin despite revenue decline on FX headwinds

### Revenue



### EBITDA



### Commentary

#### Revenue

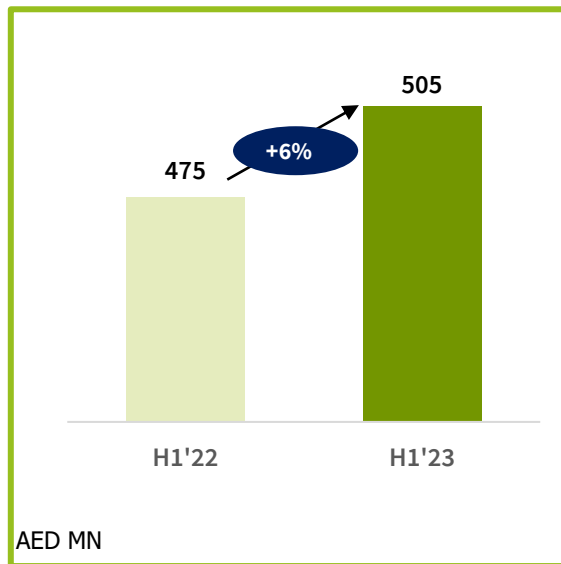
- -13% YoY after absorbing FX devaluation impact of AED 197MN; +21% YoY excluding FX devaluation
- Egypt: strong brand equity and effective tiering; double digit sales growth in Frozen Vegetables / Tomato Paste sales in EGP
- Jordan: strong growth in Retail exports offset by lower Food Service sales in Saudi and a more promotional and competitive local backdrop

#### EBITDA

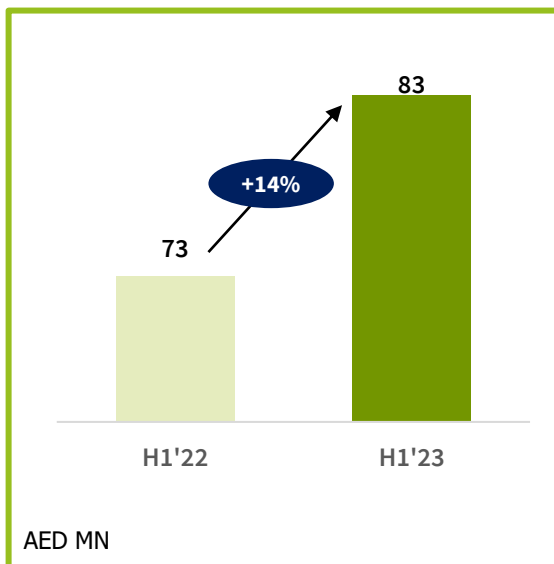
- +27% YoY excluding FX devaluation
- Focus on productivity enhancement led to margin expansion (+11bps) despite ongoing currency headwind, significant input cost inflation in Egypt and promotional landscape in Jordan

## Water & Food: positive growth with improved profitability from cost optimization and SKU premiumization

### Revenue



### EBITDA



### Commentary

#### Revenue

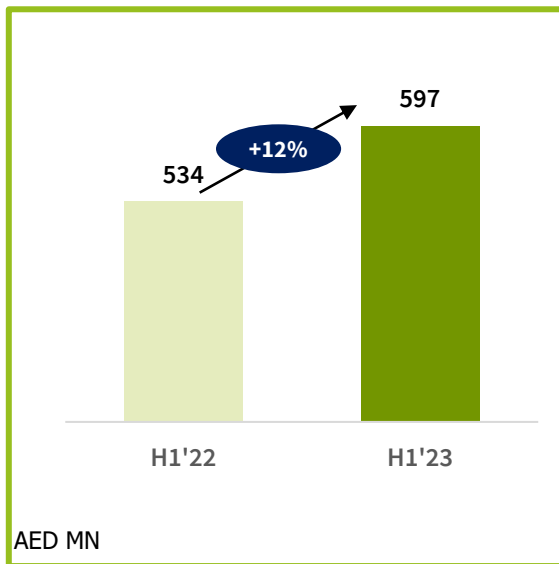
- +6% YoY on positive growth across international channels (Turkey +55%, KSA +26%, Kuwait +26%)
- UAE Bottled Water maintained market leadership despite volume phasing from shift in Eid holidays

#### EBITDA

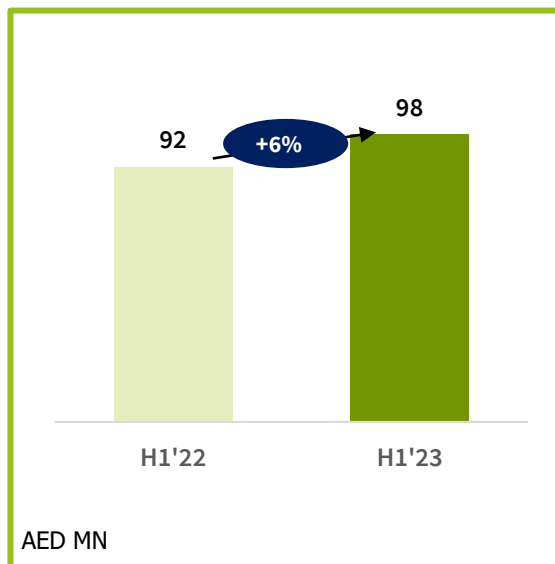
- Significant margin expansion (+107bps) on channel optimization, SKU rationalization and premiumization, and benefits from restructuring KSA Water BU last year (positive EBITDA vs losses in H1'22)

## Agri: resilient performance despite significant commodity inflation

### Revenue



### EBITDA



### Commentary

#### Revenue

- +12% YoY from good in-market execution, strong volume growth and improved product quality in Flour and strong pricing in Feed

#### EBITDA

- Margin compression on lower margin mix and higher raw material cost (+AED 23mn additional grain cost YoY)



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# Guidance

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## Reaffirming FY'23 Guidance

### Revenue growth

**+10 to 12%**

### EBITDA margin

**+40 to 60bps**

### Group net profit margin

**+30 to 50bps**

Assumptions

- Current FX rates for USD / EGP 30.7
- No further acquisition

- Current FX rates for USD / EGP 30.7
- No further acquisition

- 100% of Group profit including minorities
- Current FX rates for USD / EGP 30.7
- No further acquisition
- 3M Libor rates 4.96% (28Feb23)

## A forward-looking company



Market leading position across key categories and geographies



Growing portfolio of consumer-centric brands in large, scalable markets



Growth-oriented mindset focused on leveraging synergies, innovation and digitization



Attractive economics with clear strategy for continued value creation



Financial strength and resilience



Experienced leadership team with proven track record



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Q&A





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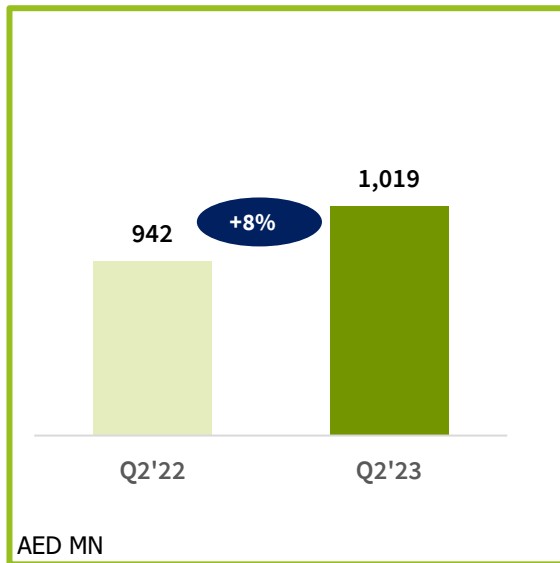
# Appendix

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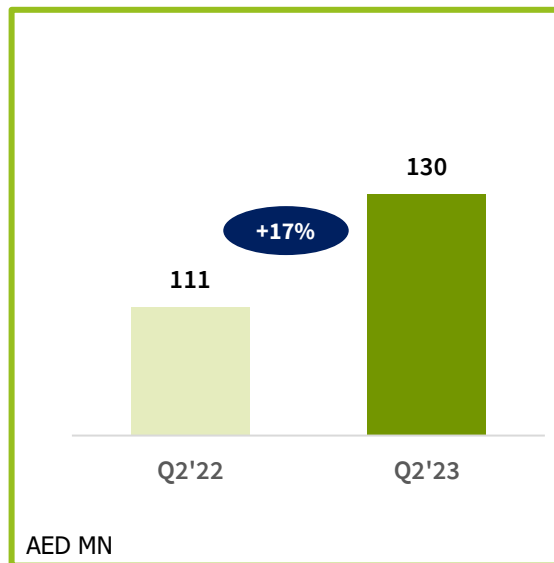


## Q2'23 Group headlines

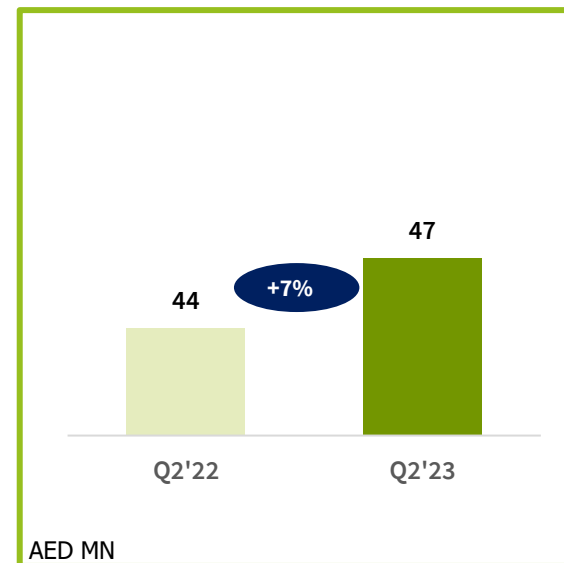
High mid-single digit revenue growth..



..outpaced by EBITDA



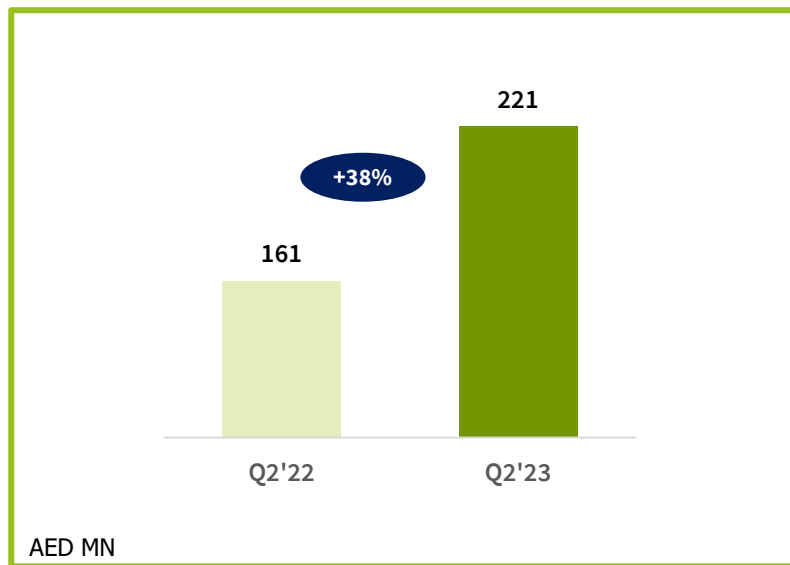
..in line with net profit<sup>1</sup>



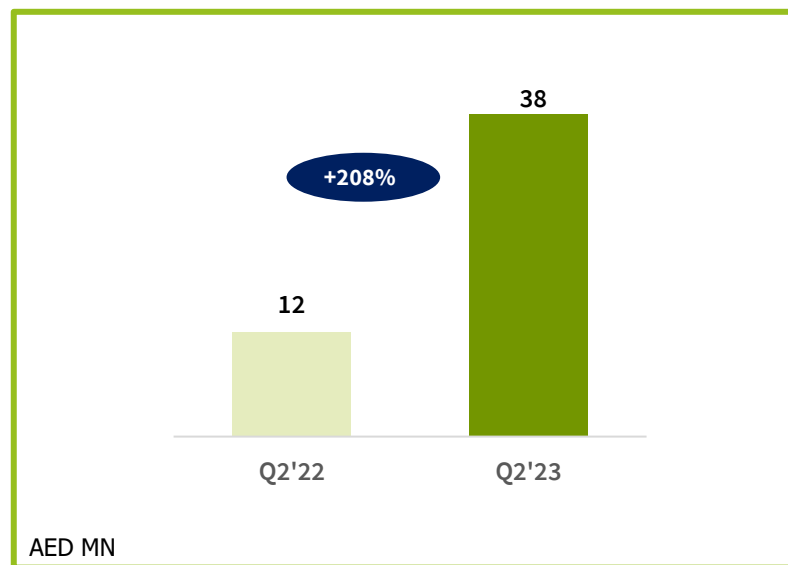
<sup>1</sup>Net profit including minority interests

## Q2'23 Snacking headlines

### Revenue<sup>1</sup>



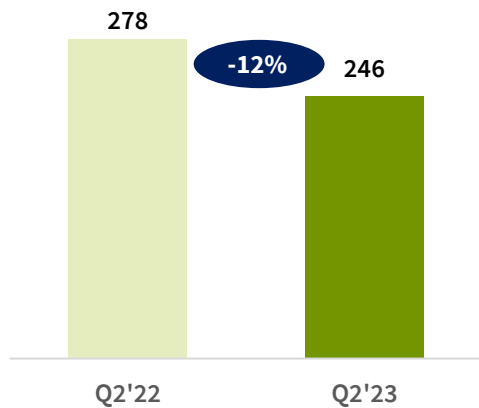
### EBITDA<sup>1</sup>



<sup>1</sup>Q2'23 includes Abu Auf

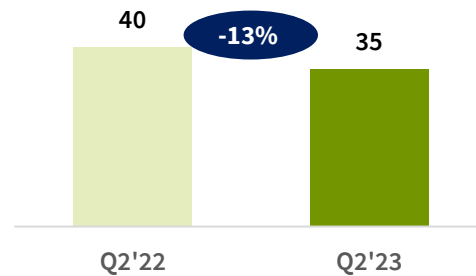
## Q2'23 Protein headlines

### Revenue



AED MN

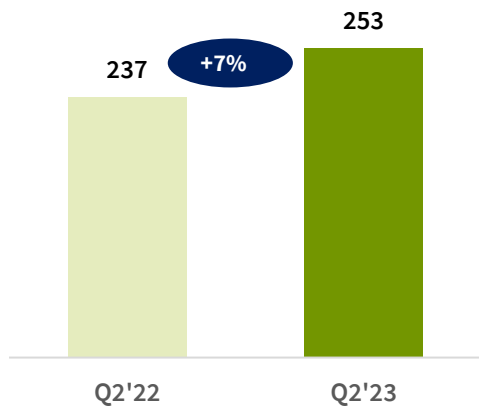
### EBITDA



AED MN

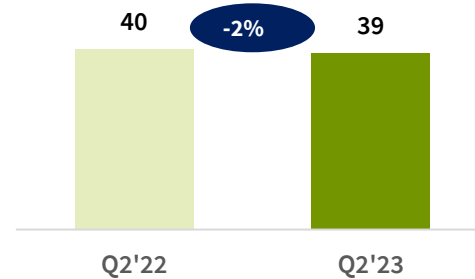
## Q2'23 Water & Food headlines

### Revenue



AED MN

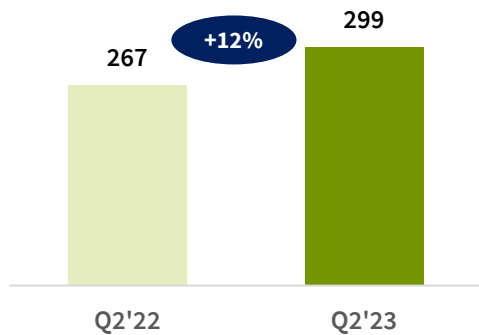
### EBITDA



AED MN

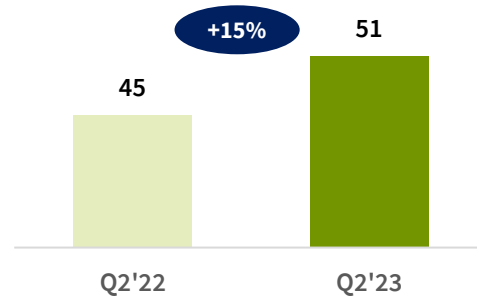
## Q2'23 Agri headlines

### Revenue



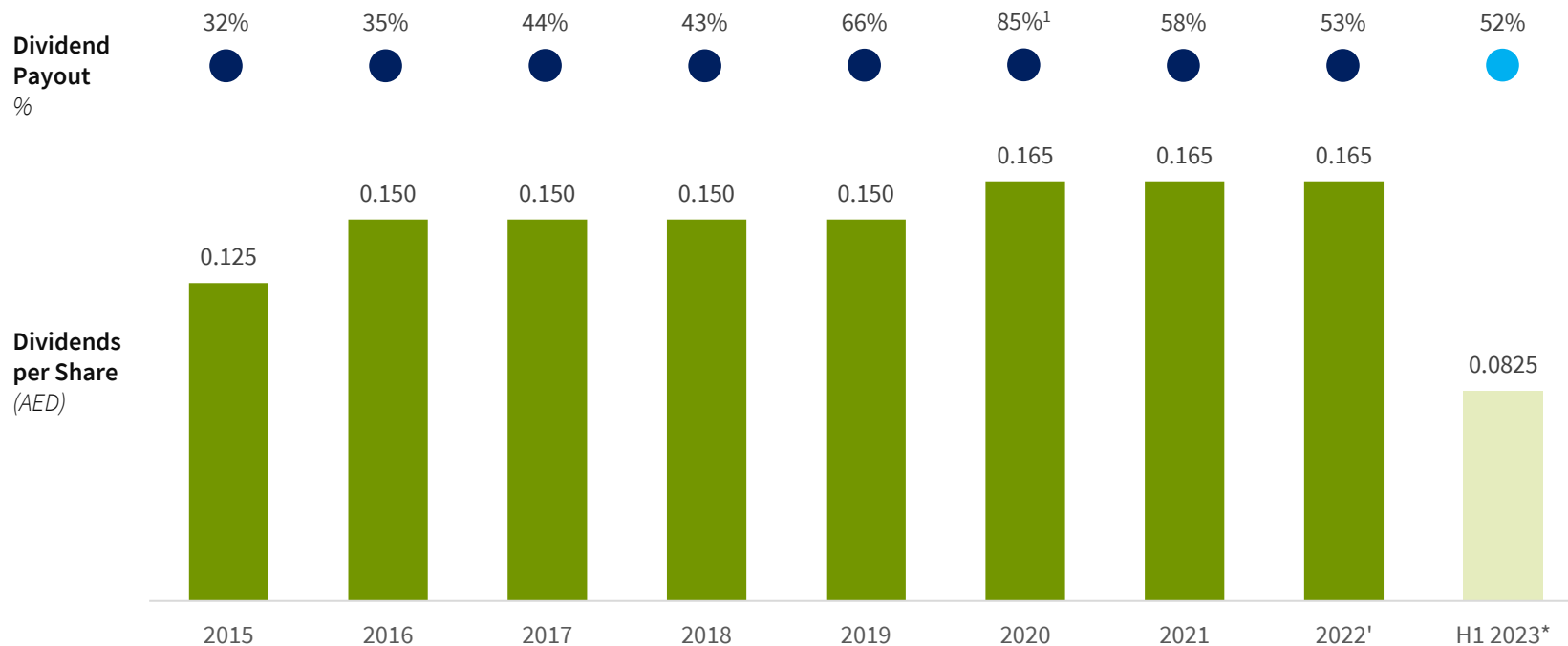
AED MN

### EBITDA



AED MN

## Historical dividend trend



<sup>1</sup>Normalized EPS for 2020

\*H1'2023 DPS recommended by Board on 2 Aug 2023; subject to shareholders approval

# A balanced mix of growing brands



# Strong leadership team with track record of value creation

## Group Functions

## Business Unit Functions



**Alan  
Smith**

Chief Executive  
Officer

**29 Years**



**Sherif  
Elfaham**

Chief Financial  
Officer

**24 Years**



**Ramy  
Merdan**

Chief Operating  
Officer

**35 Years**



**Vandy Dos  
Santos**

Chief Digital  
Officer

**30 Years**



**Mujtaba  
Hussain**

Chief M&A  
Officer

**14 Years**



**Abdulla  
Al Marzooqi**

Sr. Vice President  
Human Capital

**22 Years**



**Mubarak  
Al Mansoori**

President – Snacking &  
Government Relations

**21 Years**



**Ahmad  
Yahya**

President - Water  
& Food (GCC)

**29 Years**



**Ahmad  
Sallakh**

President - Protein

**28 Years**



**Declan  
Bennett**

President – Flour & Feed

**33 Years**



Total  
Experience:

Previous  
Notable  
Experience:



# Investing in growth: Protein expansion in KSA

## Project overview

- Location: Jeddah, KSA
- Category: Protein
- Capex c. AED 84MN (Phase 1)
- Available land 9,436 sqm; Built-up area 6,600 sqm
- Capacity ≈ 6,500- 8,700 tons/annum
- ≈ 50 SKUs

## Rationale

- Strengthen footprint in KSA
- Strong local demand; leverage strong QSR relationships
- Drive growth of key protein vertical



**Expected to come onstream by Q1 2024**

# 5-year digital roadmap with clear priorities

## Priority #1

### Best customer / consumer experience

- **Seamless omnichannel experience** with optimized online and in-store execution
- **Strongest e-commerce brand** through digital marketing
- **Regional leader in F&B innovation** through consumer and customer driven initiatives



## Priority #2

### Empowered employees in a collaborative environment

- **Integrated business planning** and cross-domain collaboration
- **Resilient operations** to meet customers / consumers expectations in all circumstances
- **Optimized and automated** internal processes



## Our Sustainability Agenda: adopting a “4 P” approach

### Packaging

- Target **packaging material reduction** of 3,120 tons
- **+3x PLA** YoY volume growth in H1'23
- MoU with Veolia & Bee'ah for **first plastic recycling plant** in UAE
- Launched UAE's first local produced **100% rPET** water bottle in Gulfood Feb'23

### Processes

- **2.5% reduction in water usage** ratio (H1'23 vs H1'22)
- 5.2% reduction in water usage for Water BU (H1'23 vs H1'22)
- **2.0% reduction in GHG scope 2 emissions** (H1'23 vs H1'22)
- **2.1% decrease in electricity usage** (H1'23 vs H1'22)

### Partnerships

- **RECAPP partnership with Veolia:** free door-to-door collection service for recyclables
  - 66,860 KG collected/month (+8% YTD)
  - 58,579 registered users (+26% YTD)
- **Reduced carton waste to ZERO in Agri-business unit** through a supplier's agreement

### People

- **Consumers:**
  - Packaging optimization, recyclable products, innovative sustainable products
  - Key advocate on sustainability and circular economy
- **Employees:**
  - Upskill workforce to transform and accelerate innovation and sustainability

## Summary Profit & Loss Statement

AED'000	Q2'23	Q2'22	y/y	H1'23	H1'22	y/y
<b>Revenue</b>	<b>1,018,976</b>	<b>942,481</b>	8%	<b>2,201,333</b>	<b>1,995,621</b>	10%
Cost of sales	-732,476	-675,559	8%	-1,577,356	-1,420,434	11%
<b>Gross profit</b>	<b>286,500</b>	<b>266,922</b>	7.3%	<b>623,977</b>	<b>575,187</b>	8.5%
Selling and distribution expenses	-126,177	-129,665	-3%	-260,014	-258,273	1%
General and administrative expenses	-86,877	-85,484	2%	-173,363	-166,946	4%
Research and development cost	-2,082	-2,318	-10%	-4,143	-4,837	-14%
Other income, net	6,101	11,675	-48%	18,272	17,879	2%
<b>Operating profit</b>	<b>77,465</b>	<b>61,130</b>	27%	<b>204,729</b>	<b>163,010</b>	26%
Finance income	3,764	5,592	-33%	13,768	10,844	27%
Finance expense	-26,991	-15,948	69%	-58,483	-25,765	127%
Share of profit/ (loss) from investment in JV/associate	1,484	557	166%	3,078	1,593	93%
<b>Profit for the period before income tax and zakat</b>	<b>55,722</b>	<b>51,331</b>	9%	<b>163,092</b>	<b>149,682</b>	9%
Income tax and zakat expenses	-8,309	-6,861	21%	-18,987	-14,451	31%
<b>Profit for the period</b>	<b>47,413</b>	<b>44,470</b>	7%	<b>144,105</b>	<b>135,231</b>	7%
<b>Attributable to:</b>						
<b>Owners of the Company</b>	<b>38,365</b>	<b>35,906</b>	7%	<b>125,198</b>	<b>118,100</b>	6%
Non-controlling interest	9,048	8,564	6%	18,907	17,131	10%
<b>Basic and diluted EPS (AED)</b>	<b>0.048</b>	<b>0.045</b>	7%	<b>0.158</b>	<b>0.149</b>	6%

## Summary Balance Sheet Statement

AED'000	H1'23	H1'22
Property, plant and equipment	1,387,889	1,465,257
Intangible assets & Goodwill	2,414,828	2,072,694
Others	120,469	114,639
<b>Total non-current assets</b>	<b>3,923,186</b>	<b>3,652,590</b>
Inventories	697,490	593,790
Trade and other receivables	924,629	828,179
Cash and bank balances	596,776	1,169,910
Others	21,108	67,298
<b>Total current assets</b>	<b>2,240,003</b>	<b>2,659,177</b>
<b>Total assets</b>	<b>6,163,189</b>	<b>6,311,767</b>
Bank borrowings	1,346,432	1,623,393
Others	184,918	200,236
<b>Total non-current liabilities</b>	<b>1,531,350</b>	<b>1,823,629</b>
Bank borrowings	461,391	519,122
Trade and other payables	897,560	823,662
Others	143,973	141,722
<b>Total current liabilities</b>	<b>1,502,924</b>	<b>1,484,506</b>
<b>Total liabilities</b>	<b>3,034,274</b>	<b>3,308,135</b>
<b>Total equity</b>	<b>3,128,915</b>	<b>3,003,632</b>
Equity attributable to the owners of the Company	2,849,213	2,797,626
Non-controlling interests	279,702	206,006
<b>Total equity and liabilities</b>	<b>6,163,189</b>	<b>6,311,767</b>

# Summary Cash Flow Statement

AED'000	Q2'23	Q2'22	YoY	H1'23	H1'22	YoY
<b>Profit before tax &amp; zakat expenses</b>	<b>55,722</b>	<b>51,331</b>	<b>9%</b>	<b>163,092</b>	<b>149,682</b>	<b>9%</b>
<i>Adjustments for:</i>						
Depreciation & Amortization	56,103	55,743	1%	114,338	111,971	2%
Provisions & Allowances	4,046	8,312	-51%	10,168	14,598	-30%
Others	21,366	8,273	158%	43,849	11,356	286%
<i>Change in:</i>						
Inventories	71,805	68,710	5%	148,912	112,308	33%
Trade and other receivables	107,748	7,181	1400%	-3,359	-51,685	-94%
Government compensation receivable	3,143	18,307	-83%	0	0	-
Due from / to a related party	-747	-1,176	-36%	-6,414	-7,301	-12%
Trade and other payables	-162,346	-187,859	-14%	-77,734	-175,046	-56%
Deferred government grant	-3,038	-2,024	50%	-5,730	-4,559	26%
Others	-20,368	-12,383	64%	-43,158	-27,357	58%
<b>Net cash generated from operating activities</b>	<b>133,434</b>	<b>14,415</b>	<b>826%</b>	<b>343,964</b>	<b>133,967</b>	<b>157%</b>
<i>Purchase of PPE (CAPEX)</i>	<i>-26,169</i>	<i>-40,419</i>	<i>-35%</i>	<i>-56,816</i>	<i>-70,910</i>	<i>-20%</i>
<i>Investment in associate / subsidiaries</i>	<i>-3,000</i>	<i>0</i>	<i>nm</i>	<i>-3,000</i>	<i>0</i>	<i>nm</i>
<i>Others</i>	<i>70,443</i>	<i>201,375</i>	<i>-65%</i>	<i>438,046</i>	<i>145,208</i>	<i>202%</i>
<b>Net cash generated from/( used in) investing activities</b>	<b>41,274</b>	<b>160,956</b>	<b>-74%</b>	<b>378,230</b>	<b>74,298</b>	<b>409%</b>
<i>Dividends paid to shareholders</i>	<i>-65,305</i>	<i>-65,305</i>	<i>0%</i>	<i>-65,305</i>	<i>-65,305</i>	<i>0%</i>
<i>Bank borrowings, net</i>	<i>-105,793</i>	<i>-95,795</i>	<i>10%</i>	<i>-581,298</i>	<i>10,388</i>	<i>-5696%</i>
<i>Others</i>	<i>-46,019</i>	<i>-24,367</i>	<i>89%</i>	<i>-90,985</i>	<i>-45,286</i>	<i>101%</i>
<b>Net cash (used in)/generated from financing activities</b>	<b>-217,117</b>	<b>-185,467</b>	<b>17%</b>	<b>-737,588</b>	<b>-100,203</b>	<b>636%</b>
<b>Increase in cash and cash equivalents</b>	<b>-42,409</b>	<b>-10,096</b>	<b>320%</b>	<b>-15,394</b>	<b>108,062</b>	<b>-114%</b>
<i>Effect of foreign exchange</i>	<i>-2,218</i>	<i>-1,952</i>	<i>14%</i>	<i>-8,801</i>	<i>-5,208</i>	<i>69%</i>
<b>Beg. Cash &amp; Equivalents balance</b>	<b>221,121</b>	<b>227,863</b>	<b>-3%</b>	<b>221,121</b>	<b>227,863</b>	<b>-3%</b>
<b>End. Cash &amp; Equivalents balance</b>	<b>176,494</b>	<b>215,815</b>	<b>-18%</b>	<b>196,926</b>	<b>330,717</b>	<b>-40%</b>



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# Thank you



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August 2023