



Earnings Presentation

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Key Highlights

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- ▶ Higher net profit mainly driven by higher sales, less intense discounting and production efficiencies
- ▶ Milk sales were higher on the back of consumer focused advertising
- ▶ Gross margins excluding Mlekoma were higher on account of lower discounting on top of the higher Ice cream sales
- ▶ Selling and distribution (S&D) costs rose mainly due to higher advertising and promotion costs. Higher sales volumes also contributed to this rise in S&D costs

New Product Launches



Low Fat Milk 1L
Enriched with
Calcium



Low Fat Milk 1L Enriched
with Cholesterol Reducing
Plant Sterols

Recent Developments

- SADAFCO shareholders have approved repurchase of up to 2,749,750 of its ordinary shares in December 2019, financed from company's internal resources. Any shares bought back will be retained as treasury shares and will be held for a period up to 5 years
- Jeddah Milk Factory and Ice Cream Factory have been successfully audited for ISO 22000 (Food Safety Management System) surveillance

Business Highlights

Financial Highlights – SADAFCO*

Sales

10.8%

YoY

9M'2019/20 :
SAR1,495mn

9M'2018/19 :
SAR1,349mn

Net Profit

21.4%

YoY

9M'2019/20 :
SAR191mn

9M'2018/19 :
SAR157mn

Operating Cash Flow

15.2%

YoY

9M'2019/20 :
SAR224mn

9M'2018/19 :
SAR264mn

SADAFCO's Market Share



UHT Milk

62.1%



Tomato Paste

54.1%



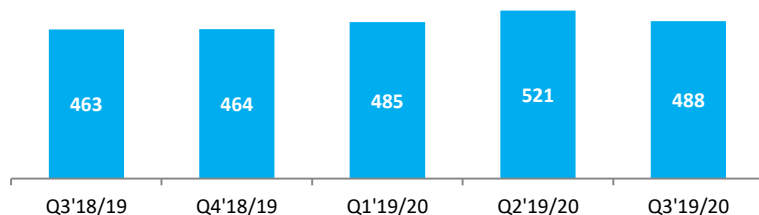
Ice Cream

25.1%

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

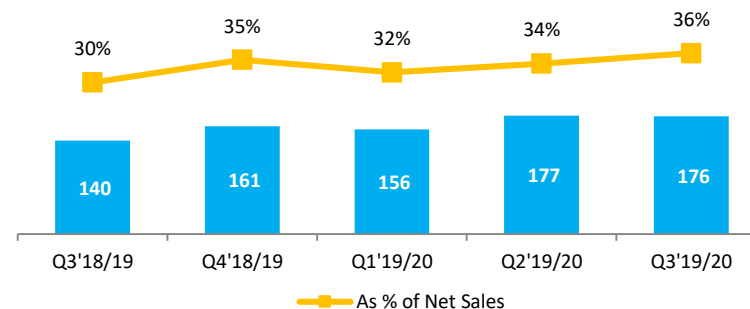
Sales*

SAR mn



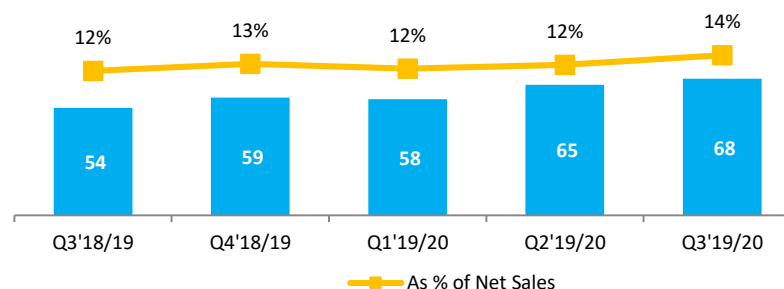
Gross Profit*

SAR mn



Net Profit*

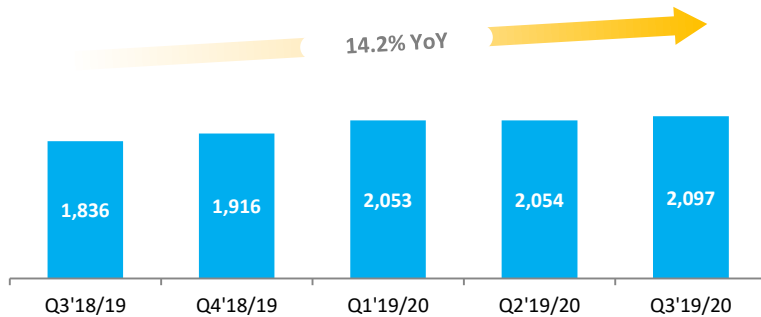
SAR mn



*Includes SADAFCO Poland financials

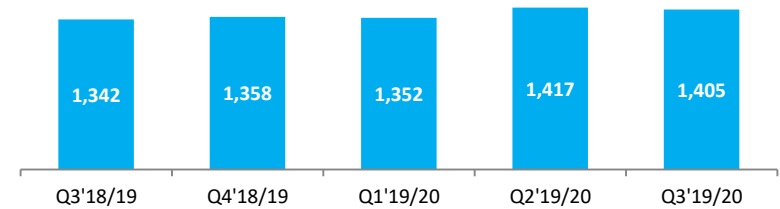
Steady Asset Base...

SAR mn



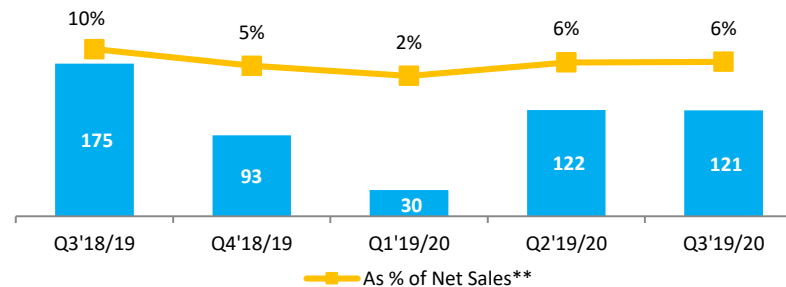
...build by Internally generated funds

SAR mn



Working Capital*

SAR mn



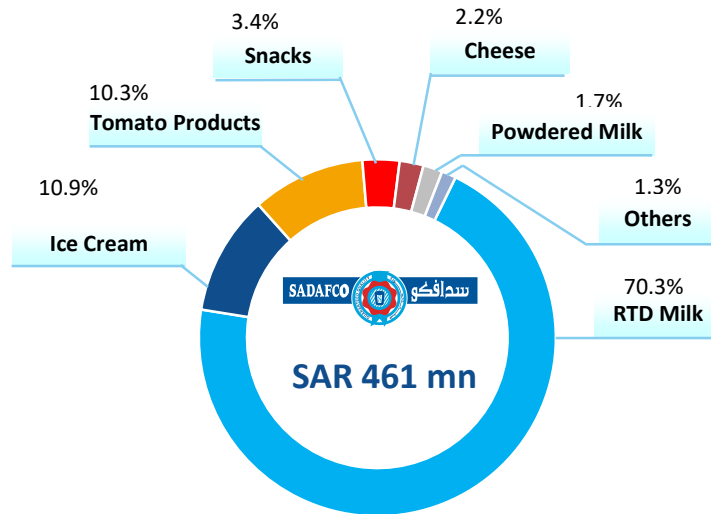
Note: *Working Capital calculated as Current Assets net of Current Liabilities.

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

Q3'19/20 Sales By Category*

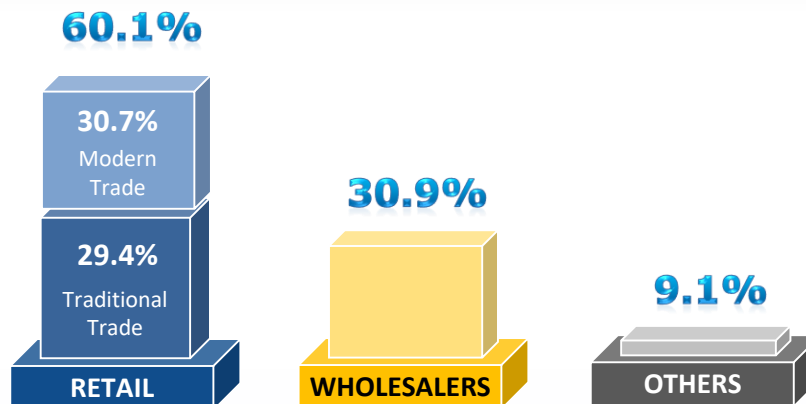


Key Category – Sales*

Categories	Net Sales – Q3'19/20 (SAR mn)	% y-o-y growth
 RTD Milk	324.4	16.3%
 Ice Cream	50.1	16.0%
 Tomato Products	47.3	(0.5)%

Distribution Format*

% of Net Sales Q3'19/20



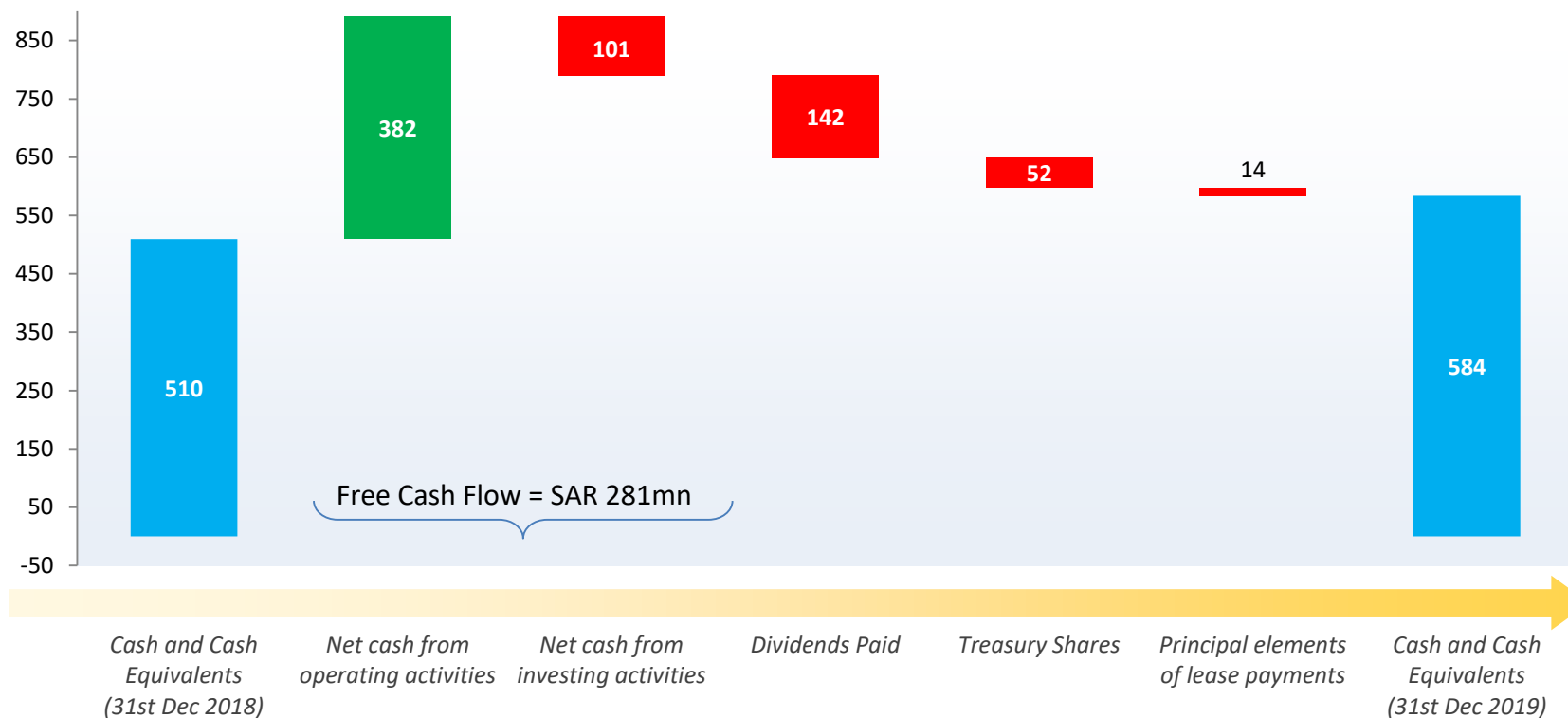
Traditional Trade & Modern Trade are the leading channels...with Wholesale also contributing significantly

*Note: SADAFCO Standalone figures.

Cash Flow Summary

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

SAR mn



Note: Includes Effect of exchange rate fluctuations on cash and cash equivalents



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)



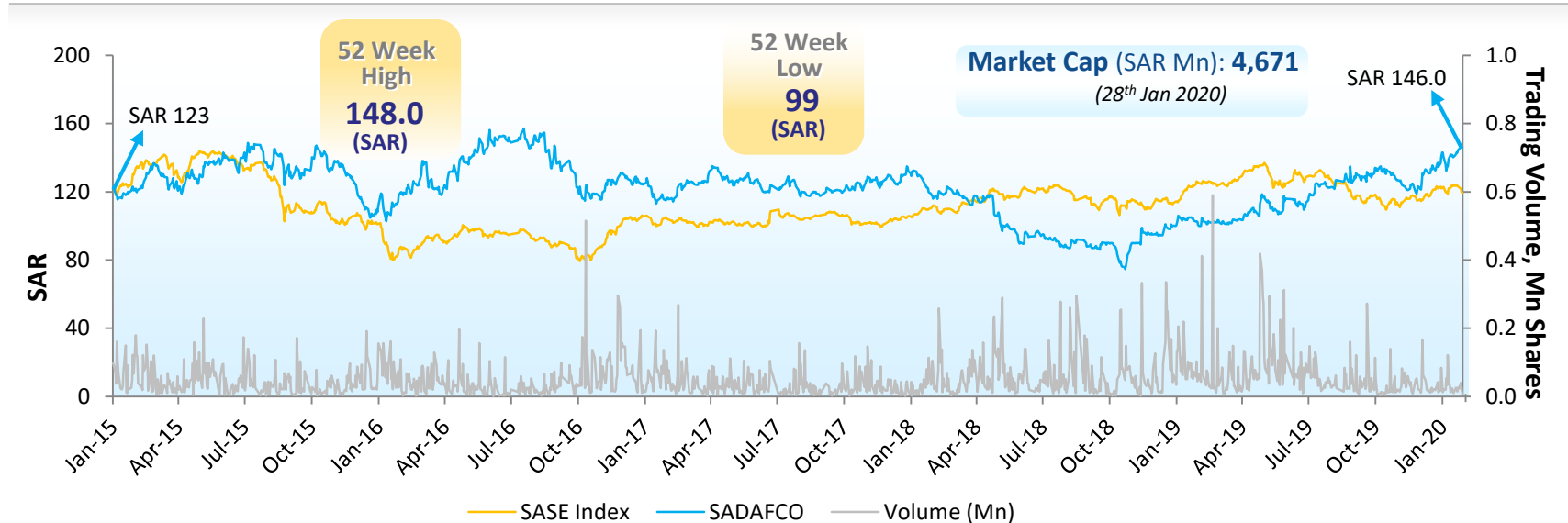
Other Products

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



Shareholders' Returns

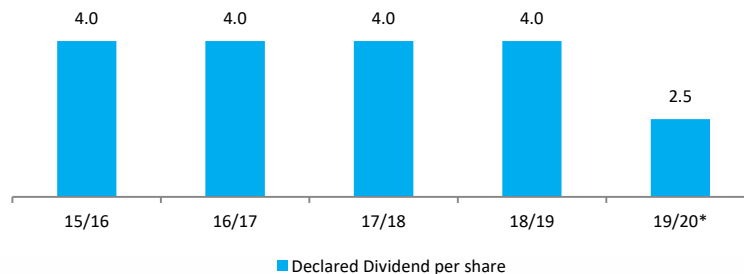
Share Price Performance



Source: Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 123 on 01 January 2015)

Dividends

SAR per share



* Interim dividend of SAR 2.5/ share has been declared in Dec'19.

Compounded Annual
Return[#] of

6.9%

over the last 5 years

Note: [#]Annualized Return calculated as sum of share price appreciation/depreciation and dividends announced on 2nd Dec 2019, assuming no reinvestment of dividends

Going Forward...

Our Q3 performance builds further on the recovery trajectory shown in the last 3 quarters. Year to date, our sales are up +10.8% with sales up across all 3 main pillar categories, especially in milk and ice cream. Gross margins are also encouraging, despite the global increase in SMP prices.

This quarter we continued our efforts to increase our consumer engagement with particular media activities supporting our Saudia milk proposition and consumer branded promotions on our snacks products (Crispy brand). Ice cream sales also benefitted from wider distribution expansion and favourable weather conditions.

In our last published accounts (Q2), the company disclosed that it had purchased a facility which can be converted to support further future growth. Plans are being developed which we will share in due course.

During the quarter, an EGM was held and shareholders voted to extend the window for the company to re-purchase its own shares for a further 12 months. Since the announcement of share purchase program in December 2018, the share price has increased by >50%.

Additionally, the board approved an increase in the interim dividend that was paid in December from SAR 2.0 / share to SAR 2.5 / share.

The bank balance at the end of December continued to be respectable at SAR 584Mln.