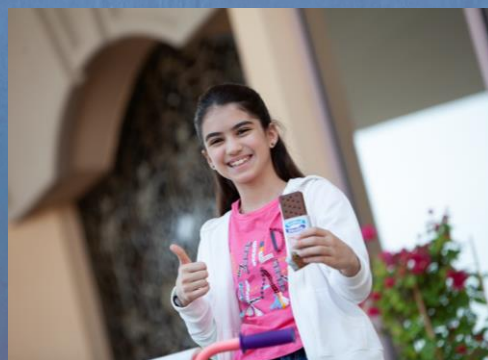




# Earnings Presentation

October 2023



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## Key Highlights

- ▶ SADAFCO (excl. Mlekoma) grew by 11.4% while Mlekoma sales declined 30.6% on YoY basis due to decline in commodity prices. On a consolidated basis, SADAFCO's sales for the quarter were SAR 744 Mln (increase of 7.2% on YoY basis)
- ▶ Gross Margin for SADAFCO (excl. Mlekoma) was 41.4%. On a consolidated basis, Gross Margin stood at 37.9% (vs 32.2% in Q2'2022/23) reflecting a YoY increase of 26.4% in Gross Profit
- ▶ Net Margin for SADAFCO (excl. Mlekoma) was 22.4%. On a consolidated basis, Net Margin stood at 15.2% (vs 12.4% in Q2'2022/23) reflecting a YoY increase of 31.0% in Net Profit
- ▶ Milk\*, Tomato based products and Ice Cream saw a healthy YoY growth<sup>1</sup> in sales of 8%, 10% and 22% respectively. Market Share (MAT) for Sep'23 of Plain UHT Milk, Tomato Paste and Ice Cream stood at 64.1%, 55.7% and 31.0% respectively

### New Product Launches



**Barista Milk 1 Ltr  
(Full Fat & Low Fat)**



**Limited Edition Caramel  
Ice Cream Sandwich**

(To mark the 93<sup>rd</sup> Saudi National Day)

### Recent Developments

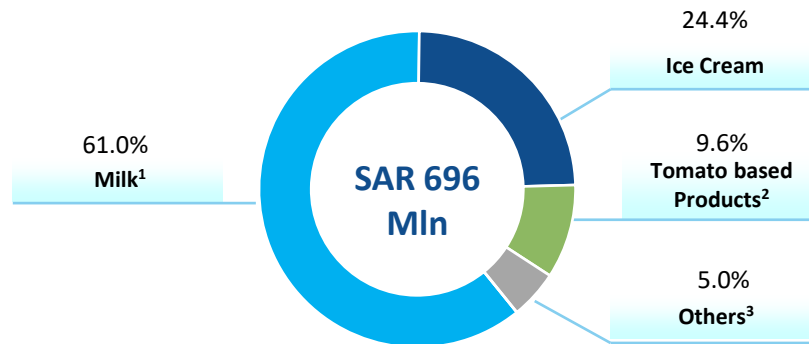
- ▶ SADAFCO launched **Barista Milk** targeting the Out of Home customers
- ▶ SADAFCO announced the construction of a new Depot in Yanbu replacing the current rented depot
- ▶ SADAFCO announces change of the Fiscal Year from March end to December end

\* Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream

<sup>1</sup>Growth in product categories is calculated for SADAFCO (excl. Mlekoma)

\*MAT as of Sep' 23 (Source: Nielsen Retail Audit)

## Q2'23/24 Sales By Key Product\*






<sup>1</sup> Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream

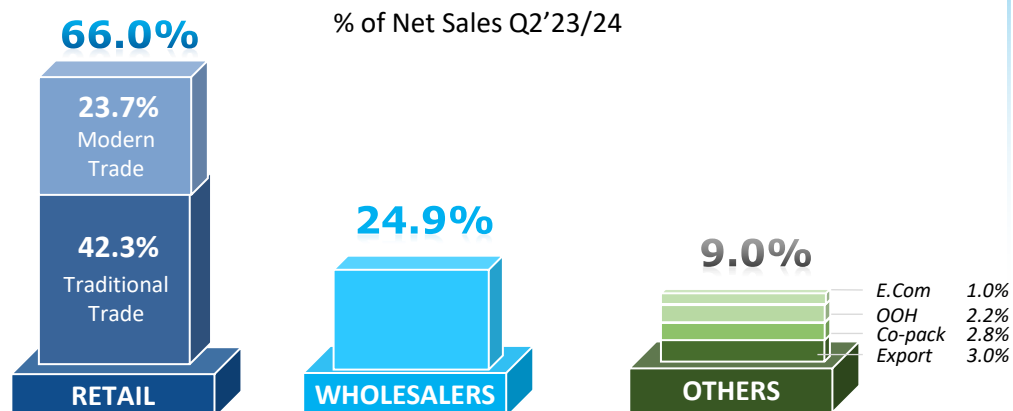
<sup>2</sup> Tomato Based Products include Tomato Paste and Ketchup

<sup>3</sup> Others include Snacks, Cheese, French Fries, Mayonnaise, Drinks etc

## Key Product – Sales\*

	Net Sales – Q2'23/24 (SAR Mln)	% y-o-y growth
 Milk <sup>1</sup>	<b>425</b>	<b>8.0%</b>
 Ice Cream	<b>170</b>	<b>22.0%</b>
 Tomato based Products <sup>2</sup>	<b>67</b>	<b>10.2%</b>

## Distribution Format\*



## Sales (OOH and E-Commerce)

	Net Sales – Q2'23/24 (SAR Mln)	% y-o-y growth
Out of Home (OOH)	<b>15.6</b>	<b>13.7%</b>
e-Commerce	<b>7.2</b>	<b>54.9%</b>

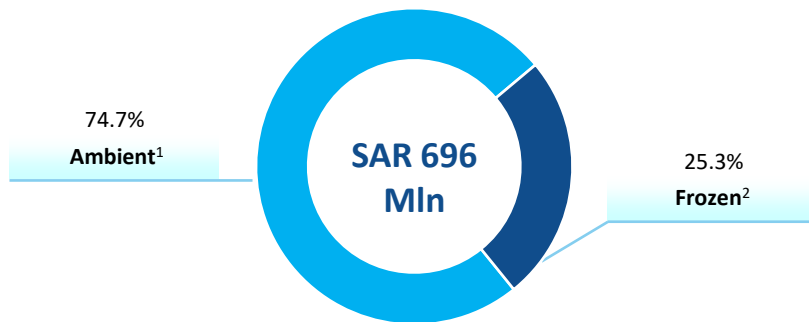
SADAFCO is strong in all channels. Going forward, there will be special focus on Out of Home and e-Commerce channels

\*Note: SADAFCO (excl. Mlekoma)



## Q2 Sales for SADAFCO (excl. Mlekoma) (contd...)



### Q2'23/24 Sales By Category\*



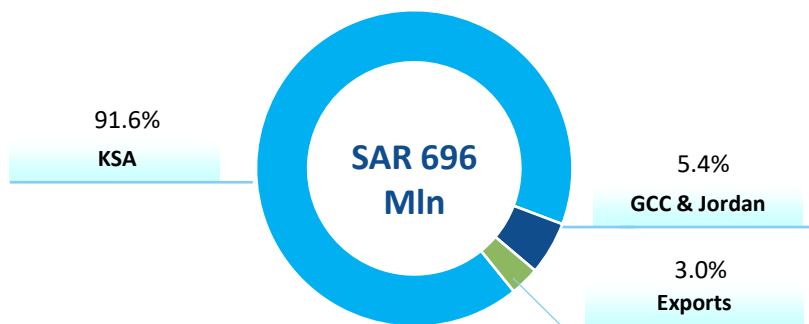
<sup>1</sup> Frozen includes Ice Cream and French Fries

<sup>2</sup> Ambient includes all products except Frozen




### Key Category – Sales\*

	Net Sales – Q2'23/24 (SAR Mln)	% y-o-y growth
 Ambient	<b>520</b>	<b>7.9%</b>
 Frozen	<b>176</b>	<b>22.9%</b>

### Q2'23/24 Sales By Geography\*

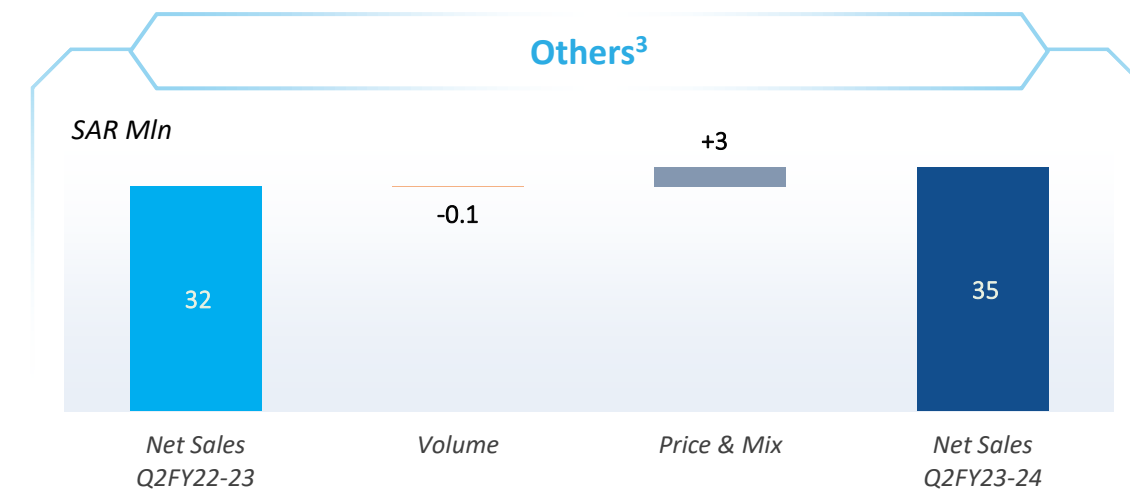
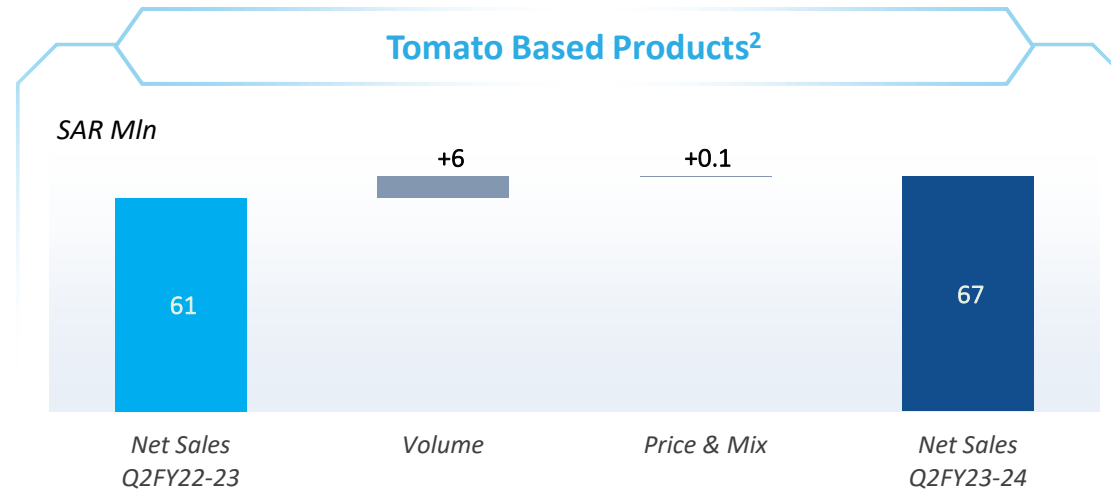
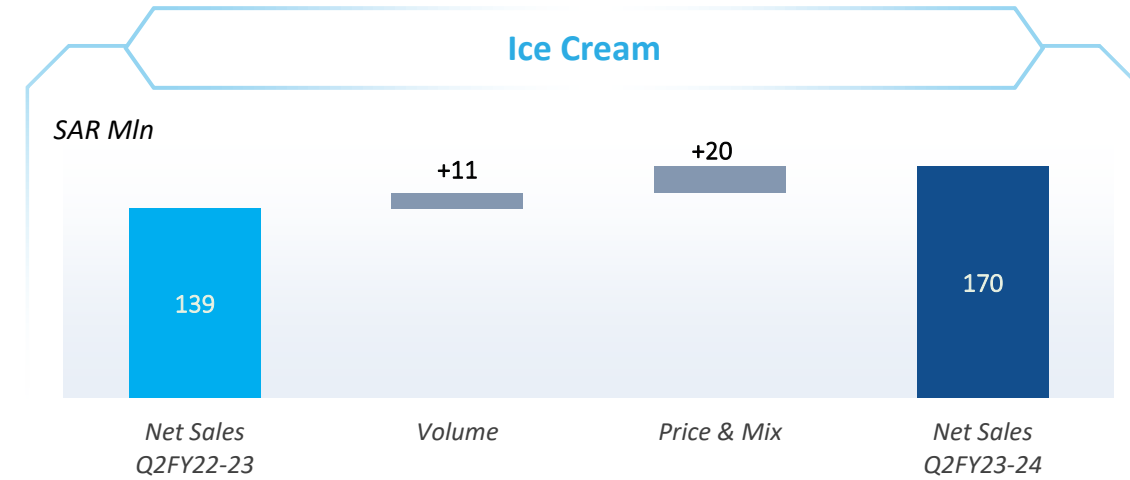


### Key Geography – Sales\*

	Net Sales – Q2'23/24 (SAR Mln)	% y-o-y growth
 KSA	<b>638</b>	<b>9.6%</b>
 GCC & Jordan	<b>38</b>	<b>28.4%</b>
 Exports	<b>21</b>	<b>50.3%</b>

\*Note: SADAFCO (excl. Mlekoma)

## Q2 Price Volume Analysis for SADAFCO (excl. Mlekoma)



<sup>1</sup> Milk includes Plain Milk, Flavored Milk, Junior, Milk Powder, EVAP and Cream

<sup>2</sup> Tomato based products include Tomato Paste and Ketchup

<sup>3</sup> Others include Mayonnaise, Snacks, Cheese, Drinks, French Fries etc.

Note: Mix Variance quantifies the impact of changes in the proportion of products sold (product mix) between Q2FY22-23 and Q2FY23-24 on the overall revenue

# Q2 Business Highlights



## Financial Highlights

### Sales

**7.2%**  
YoY

Q2'2023/24:  
**SAR 744 Mln**  
  
Q2'2022/23:  
**SAR 694 Mln**

### Net Profit

**31.0%**  
YoY

Q2'2023/24:  
**SAR 113 Mln**  
  
Q2'2022/23:  
**SAR 86 Mln**

### Total Assets

**6.6%**  
YoY

Q2'2023/24:  
**SAR 2,561 Mln**  
  
Q2'2022/23:  
**SAR 2,403 Mln**

## SADAFICO's Market Share\*



UHT Milk  
**64.1%**



Tomato Paste  
**55.7%**



Ice Cream  
**31.0%**

\*MAT as of Sep' 23 (Source: Nielsen Retail Audit)

# Sales & Profitability

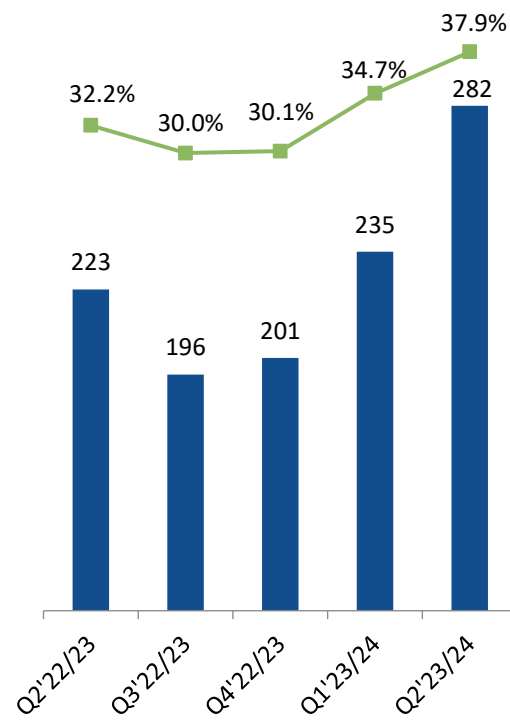
## Sales

SAR Mln



## Gross Profit

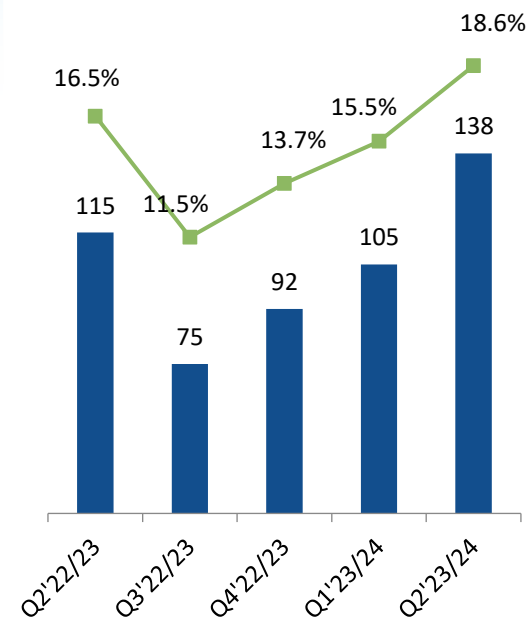
SAR Mln



■ As % of Net Sales

## Operating Profit

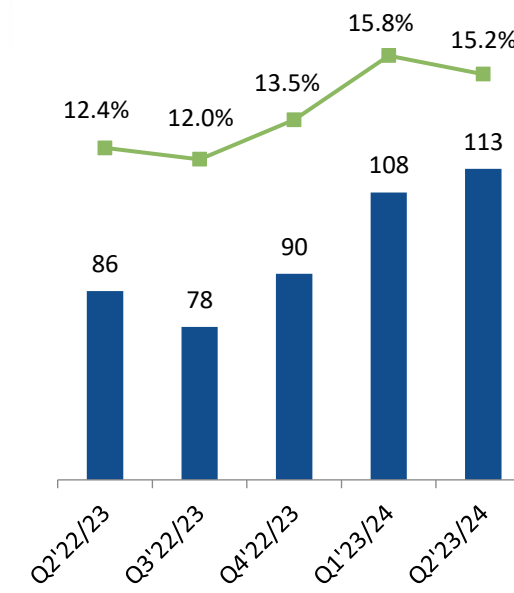
SAR Mln



■ As % of Net Sales

## Net profit

SAR Mln



■ As % of Net Sales

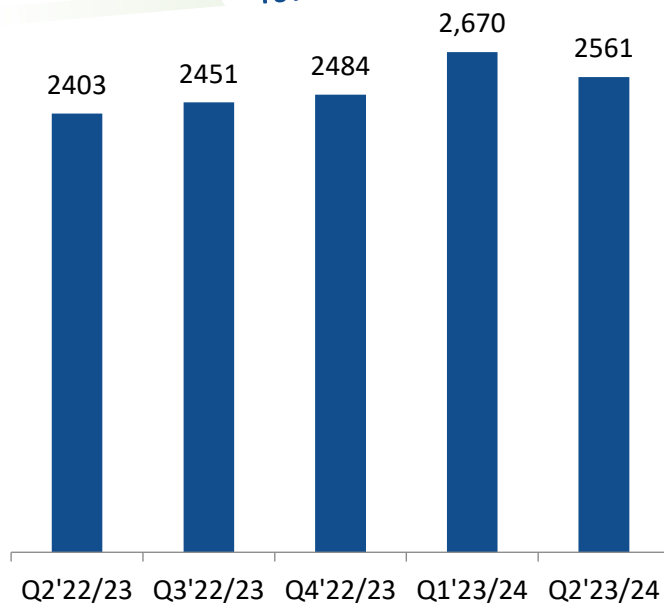


# Balance Sheet

## Steady Asset Base...

SAR Mln

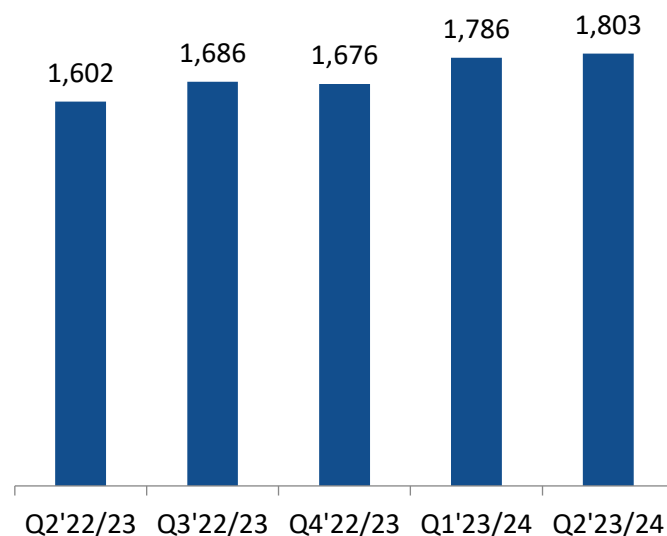
YoY: 6.6%



Total Assets

## ...build by internally generated Funds

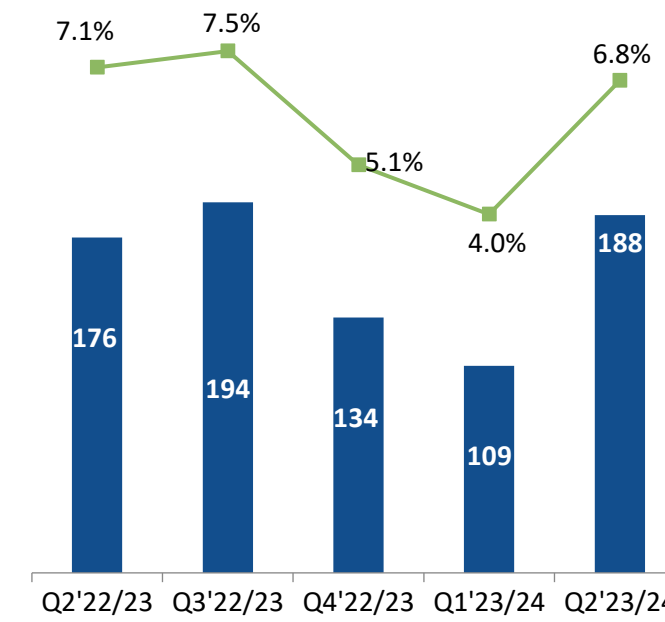
SAR Mln



Total Equity

## Working Capital\*

SAR Mln



—■ As % of Net Sales\*\*

Note:

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

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

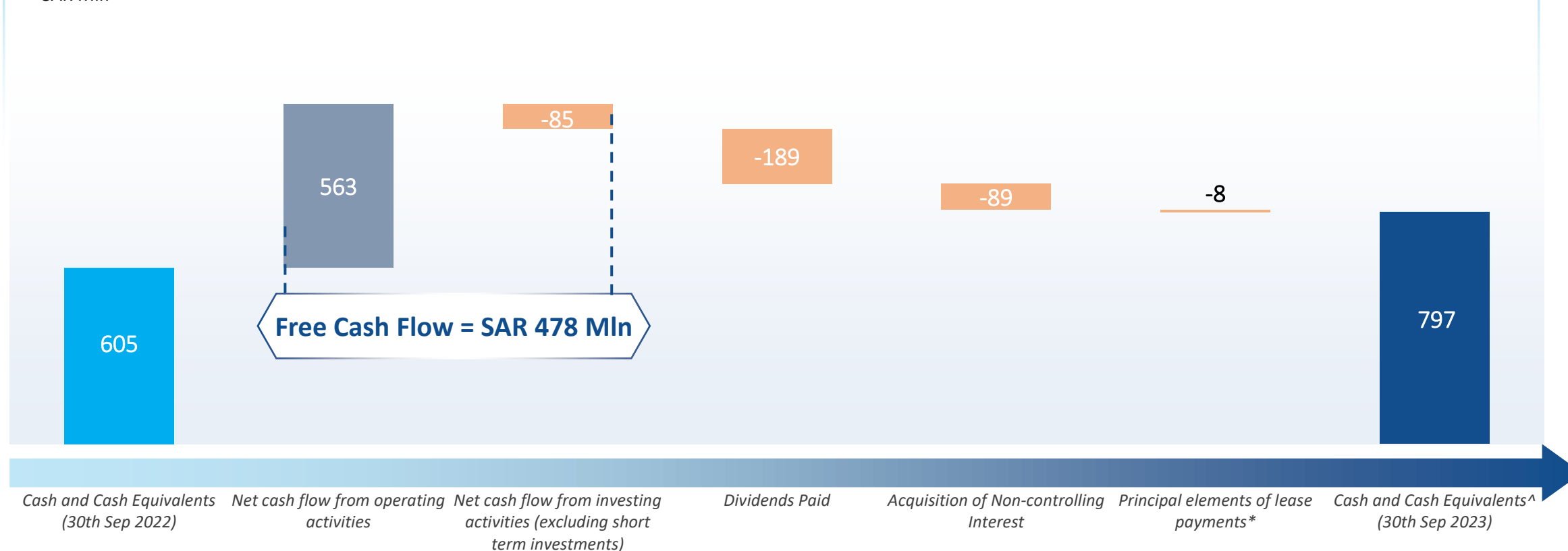
Current Liabilities: Account payables + Due to related parties + Accrued zakat + Dividend payable + Accruals & other current liabilities

\*\*Rolling 12-months net sales

# Cash Flow Summary

## SADAFCO Consolidated Cash Flow Bridge for rolling 12-months as of 30<sup>th</sup> Sep 2023

SAR Mln



Note: \*Includes Principal elements of lease payments, Effect of exchange rate fluctuations on Cash and Cash Equivalents etc.; ^ Cash and Cash Equivalents also includes short term investments

السعودية  
saudia

## Ice Cream

60  
SKUs



## UHT Milk

44  
SKUs

- UHT Milk - Whole, Low Fat, Skimmed, Gold Milk , Functional Milk
- Date Milk
- Milk Powder
- Flavored Milk
- Growing Up Milk (GUM)
- Barista Milk



## Tomato Based Products

7  
SKUs

- Tomato Paste
- Ketchup
- Organic Tomato Paste



## Cheese

4  
SKUs

- Feta Cheese
- Processed Cheese – Triangles



## Snacks (Crispy)

7  
SKUs



## Other Products

- French Fries
- Oat Drink
- Cream
- Soy Drink
- Mayonnaise
- EVAP



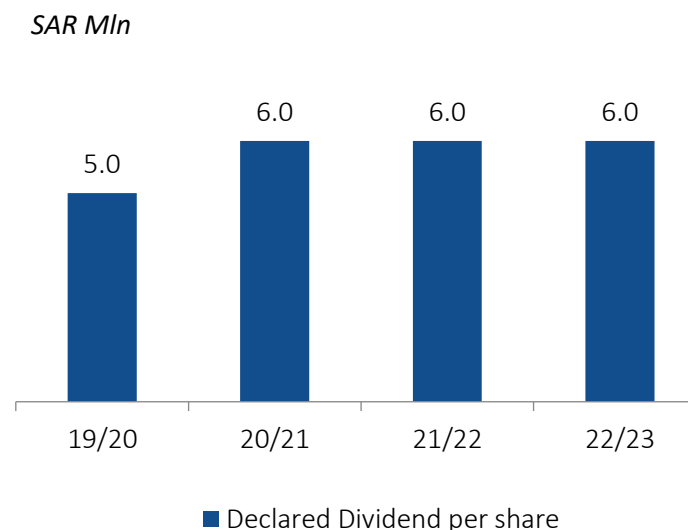
# Shareholders' Returns

## Share Price Performance



Source: Tadawul, Bloomberg; SAR Saudi Riyal; SASE Index (Rebased to SAR 94 on 1<sup>st</sup> Oct 2013); Total shares outstanding (in thousands): 32,000

## Consistent Dividends



**Compounded  
Annual Return<sup>#</sup>  
of ~14.6%**  
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> Sep 2023, assuming no reinvestment of dividends

## Q2 Sustainability – Key Highlights



SADAFCO has established partnerships with National Transportation Solutions Company (NTSC) for its decarbonization roadmap

Decarbonization



SADAFCO is actively working towards obtaining certification for ISO 37000:2021, which focuses on governance standards

Corporate Governance



Received ISO 26000:2010 conformance certificate for strategic integration of CSR policies into how the company operates

Social Responsibility

### Other Recent Developments

#### Employee Health & Happiness

Initiated a pilot mentorship program “Lead X” that focused on developing future leadership and successfully delivered the first module to leaders across all functions

#### Health and Nutrition

Educated 1.4 Mln students on health & nutrition aspects across 1900+ schools

*As of September 2023, SADAFCO maintains a dominant market position with strong growth in key categories: Milk at 64.1%, Tomato Paste at 55.7%, and Ice Cream at 31.0%.*

*Financially, SADAFCO continues to exhibit robust performance. By the end of September 2023, the company's cash reserves stood at SAR 797 Mln, with Shareholders' Equity at SAR 1.8 Bln.*

*In August 2023, SADAFCO distributed a final dividend of SAR 3 per share, bringing the total dividend for the FY22-23 to SAR 6 per share.*



