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Analysts & Investors Call

Q4/FY'21 Results

9 March 2022

Agenda

2025 Strategy Update

Business Performance

Financial Performance

Q&A

Appendix

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2025 Strategy Update

Delivering on our Strategy pillars

GROWTH

Q4'21 highlights

- Consolidated BMB (*snacking*) on Dec. 31st
- **Top-line doubled** vs Q4'20

FY'21 highlights

- Completed the consolidation of **5 acquisitions** (Al Foah & Al Faysal in Q1, Nabil in Q2, Atyab in Q3 & BMB as of 31st Dec)
- Continued to **reshape the portfolio mix** via shifting towards consumer business division which now constitutes 70% of total revenues
- **Expanded normalized EBITDA margins** by 391bps y-o-y (vs. guidance of 100bps per year) despite inflation pressures

EFFICIENCY

Q4'21 highlights

- Recognized AED 36 MN in **cost savings**
- Agile productivity set-up with selective pricing intervention to **ease the impact of the exceptional inflation** in commodity / freight costs

FY'21 highlights

- Aggregate of AED 73 MN in **cost savings** (36% of 5-years target)
- Advanced in the **synergy extraction** via integration in back-office services (IT, HR, treasury)
- **Discontinued the Capri-Sun** *(Jan'21)* **and Fresh Juice** *(May'21)* businesses on recurring losses post excise tax

CAPABILITY

Q4'21 highlights

- Continue capitalizing on **Route-To-Market** of acquired businesses and vice-versa
- Introduced **new packaging** (*under Al Foah*)

FY'21 highlights

- Established a **dedicated transformation office** focused on effectively integrating our new businesses
- Formulated the Group's "**Integration Framework & Playbook**" with an institutionalized modular model to be tailored when applied to current / future acquired entities
- **Stepped-up Revenue Growth Management** (*revitalization of UAE water business in Q2 onwards*)

Integration Framework

- The Group's dedicated transformation office **formulated "Integration Framework and Playbook"** focused on:

Seamless Transition | Productivity | Value Creation

- While integration is a continuous journey, **outlined below transformation progress throughout 2021**:

Snacking

Al Foah:
- ✓ completed phase 1 of integration
- ✓ re-designed the organizational setup / processes
- ✓ started unlocking cost synergies & operational efficiencies

Al Faysal:
- ✓ focused on processes and governance
- ✓ ensuring business continuity and on-track execution
- ✓ focused on unlocking go-to-market opportunities in Kuwait

BMB Group:
- ✓ commenced first 100 days plan
- ✓ maintained the agile & entrepreneurial business culture

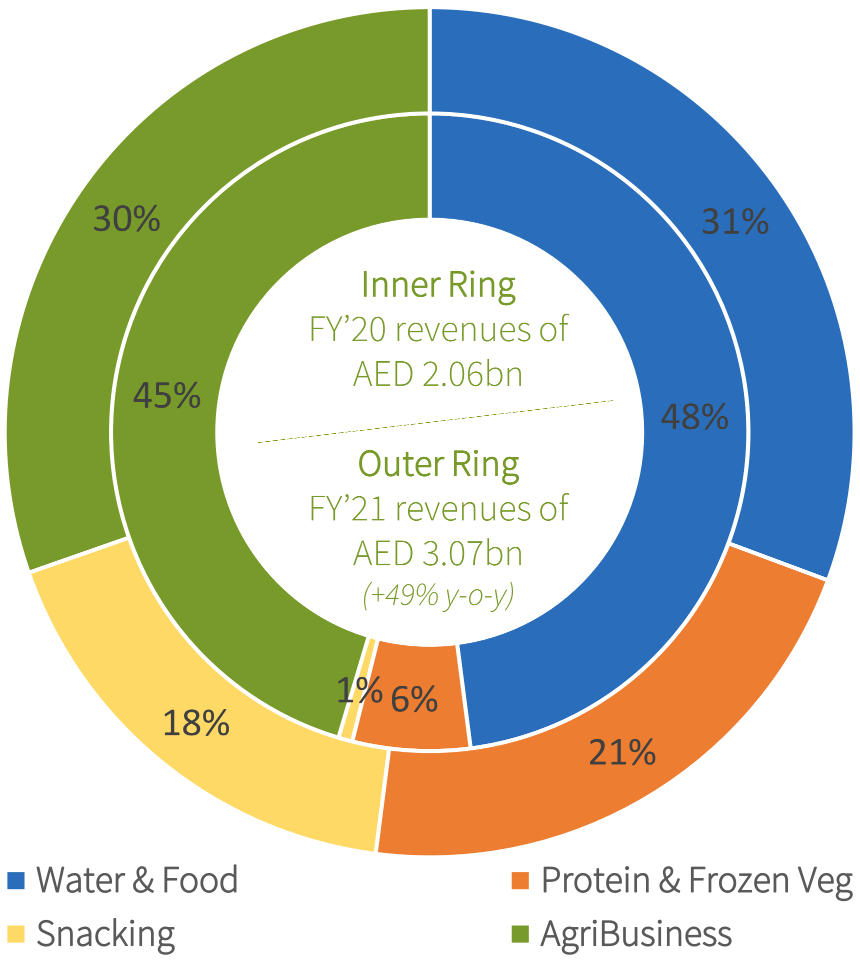
Protein

- ✓ Focused on creating a fully focused Protein business unit with significant synergies & value creation potentials
- ✓ Marks our diversification strategy of expanding Agthia's offerings

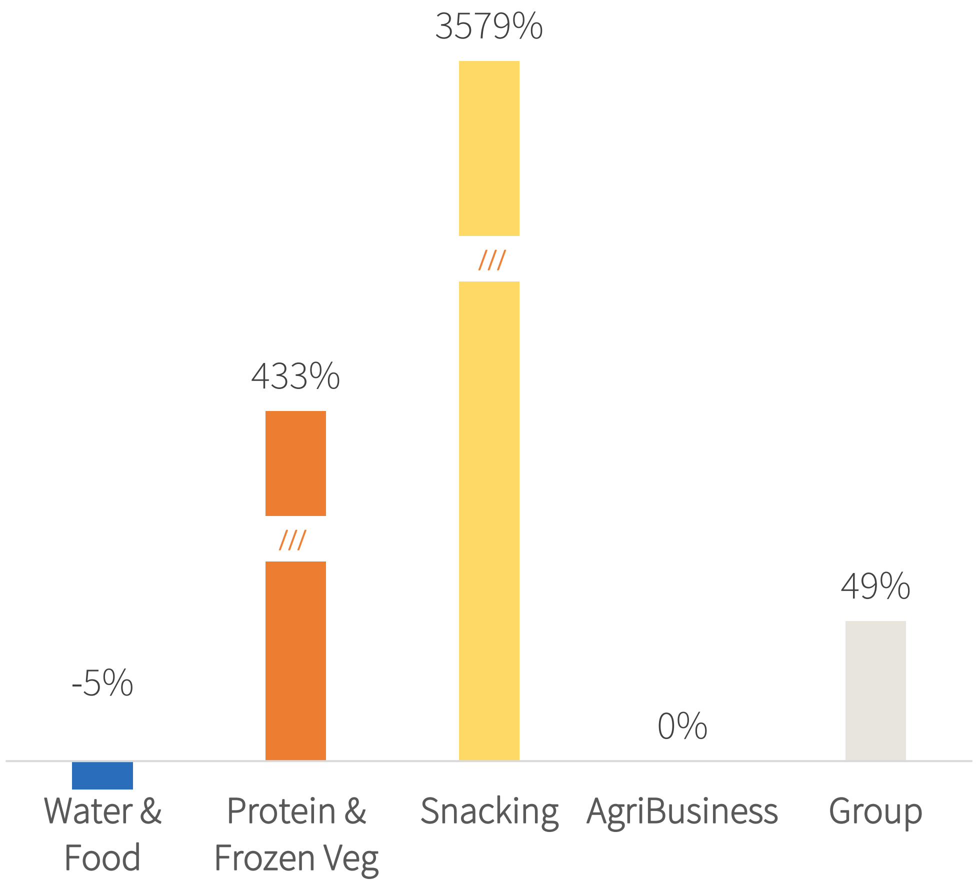
Business Performance

FY'21 Performance by Segment

FY'21 vs FY'20 Revenues[1]



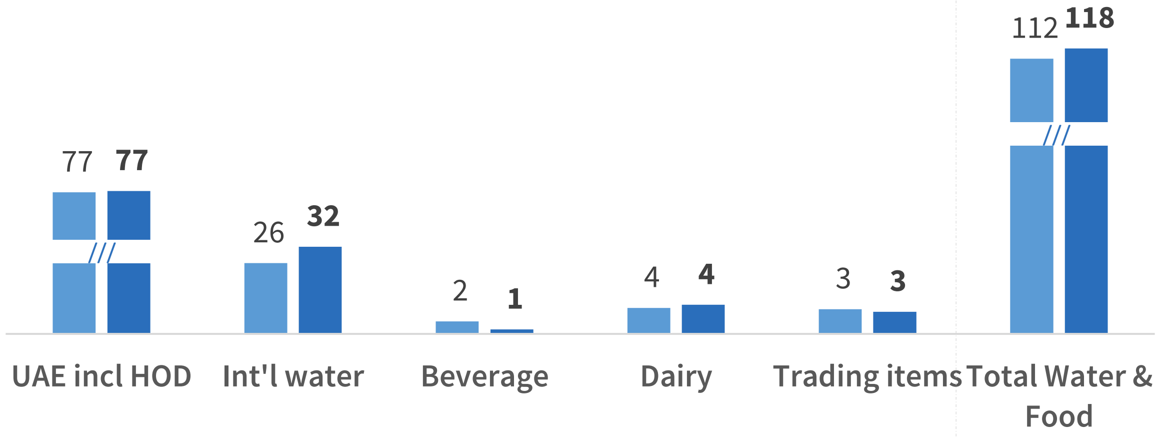
Growth by Segment (y-o-y)



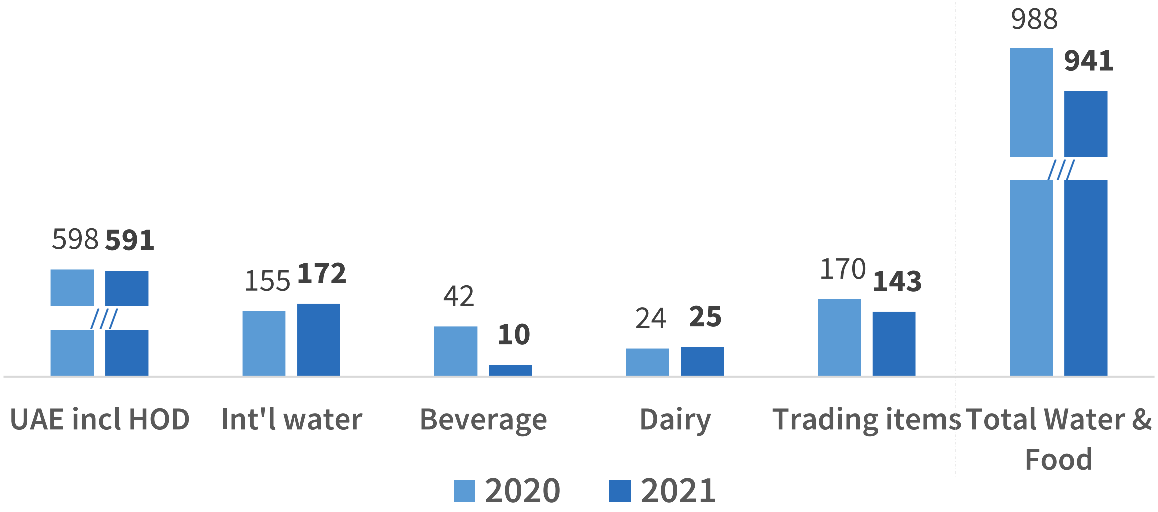
[1]*Post consolidation of Al Foah & Al Faysal Bakery in Q1'21, Nabil Foods in Q2'21 and Atyab in Q3'21*

Water & Food

Volume[1] by category



Sales by category *(AED MN)*



Water & Food *(31% of 2021 revenues)*

UAE Water

- **HOD**: volumes up with favourable mix management
- **BW**: flat sales impacted by weak sales in Q1'21 which lagged a strong pre-COVID Q1'20. In Q2 onwards sales improved versus last year driven by the recovery in Food Service channel

Int'l Water

- Higher sales on expanded footprint across Saudi, Kuwait & Turkey
- Focus on Saudi operations turnaround by improving the cost structure and route-to-market optimization to drive scale and efficiency across channels

Beverage

- Down on discontinuing the loss-making business

Other Food items *(Dairy / Trading)*

- Lower sales y/y against a high base last year (overstocking in CSD channel)
- Higher sales vs. 2019 (+11%) driven by portfolio expansion and competitive promotions

[1]*Volume in MN cases except for HOD in MN bottles, Dairy in '000 tons, Trade in MN units*

UAE Water Update

Retail growth inline with category while Food Service Channel growing at double digit

Retail channel *(Modern Trade, Traditional Trade, Convenience stores):*

- **Overall Category came in flat** vs. last year that was severely impacted by COVID-19: 2021 Value flat y-o-y vs. Volume +2% on price competition *(Nielsen)*
- Agthia's bottled water portfolio – Al Ain Water, Al Bayan, Alpin & Voss - **preserve market leadership** at 26% and 23% volume & value shares
- Al Ain showed **resilient performance** driven by our strategic pricing / promo mechanism implemented from May'21 onwards.
- Multiple **insight fueled marketing programs** activated above and below the line to drive consumer awareness, equity and purchase
- Laser sharp focus on driving fundamentals and best in class execution supported in driving growth in Retail channel

Food Service channel *(Hotels, restaurants, catering, etc.):*

- **2021 comeback** standing at +29% vs. last year supported by post COVID-19 relaxation & new accounts *(+AED 27 MN)*
- **Voss distribution gains** helped in driving value

Community Support Division (CSD) channel *(Municipality):*

- **Impacted by lower footfall and competitive pricing by retailers**
- Reporting system shifted from sell-in in 2020 to sell-out in 2021, further affecting comparison of reported results

Home & Office Delivery-HOD *(5 gallon):*

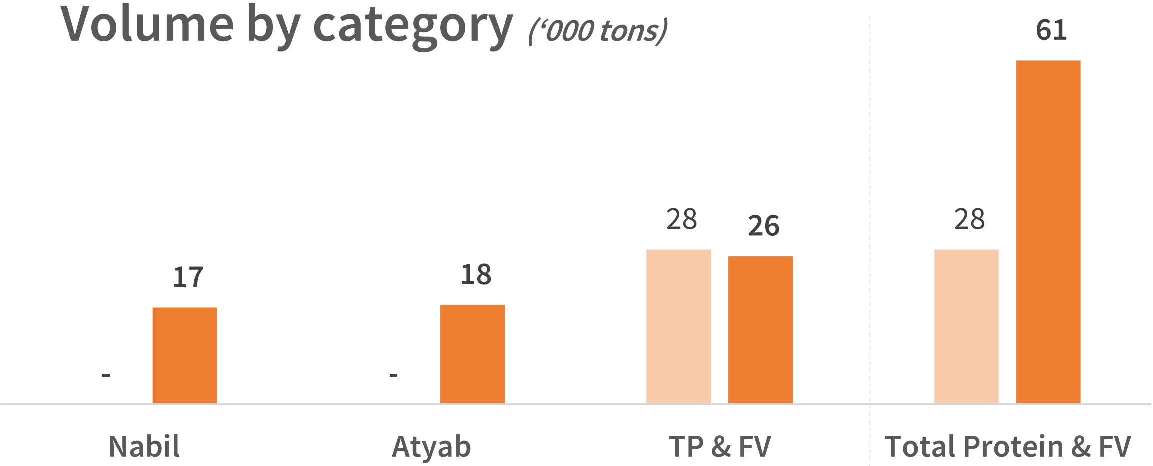
- **Price and mix management** supported in **delivering revenue growth** of 4% above last year

Oriented towards revitalization:

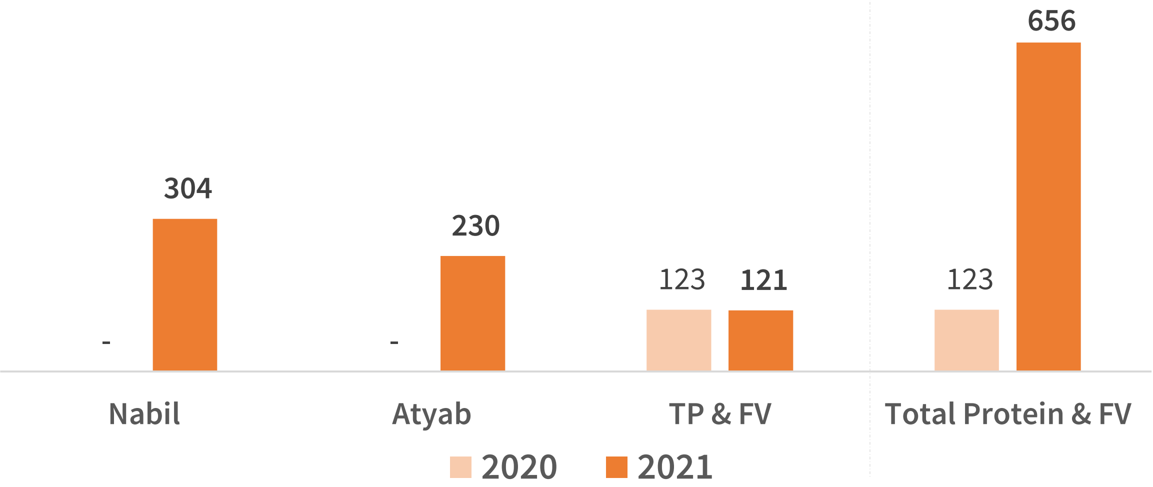
- **Marketing Activations rolled out** across key accounts with Al Ain Zero as the focus pack. Carrefour delivered the highest ever Value and Volume share in Oct'21 for the first time since 2019 *(Value share at 35%, Volume share at 34%)*
- **Revenue management initiatives** via strategic pricing to cover increasing PET costs whilst retaining our leading market share and optimizing costs *(reduce trade deals, negotiate better terms with key retailers, enhance promo effectiveness)*
- Focused on **driving Route to market optimization** to ensure effective reach in an efficient way
- **Sales incentive schemes** across channels linked to coverage, productivity, distribution and SKU targets.

Protein & Frozen Vegetables

Volume by category *('000 tons)*



Sales by category *(AED MN)*



Protein & Frozen Veg *(21% of 2021 revenues)*

Protein

- **Nabil**: consolidation since April 1 added AED 304MN to top-line
- **Atyab**: consolidation since Aug. 1 added AED 230MN to top-line, creating fully-focused protein business unit alongside Nabil

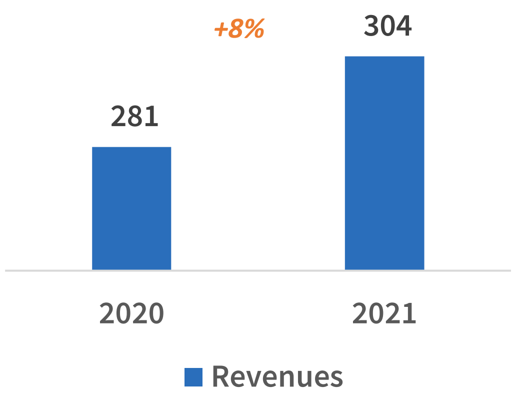
Frozen Vegetables & Tomato Paste

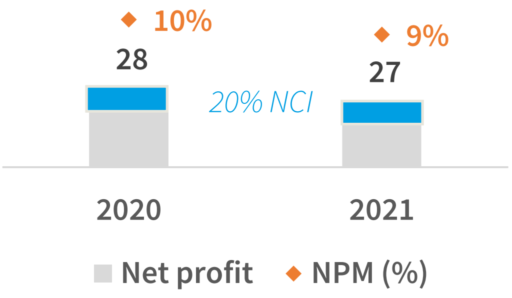
- Flat y/y versus higher base last year (overstocking due to COVID-19)

Protein - Pre & Post Acquisition Performance

Nabil[1]

AED'MN

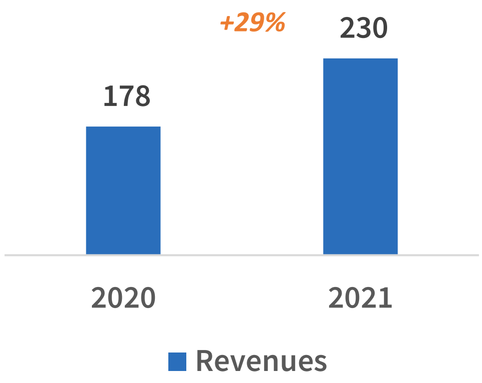


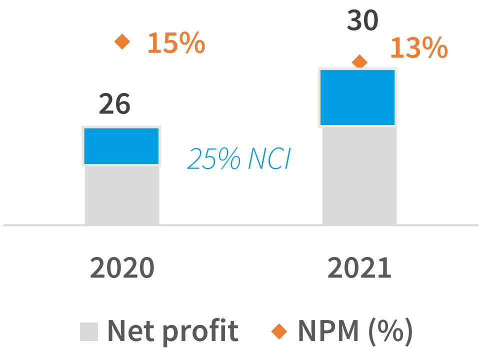


- **Higher Revenues** versus last year despite continued movement restrictions impacting Food Service channel and export restrictions challenges to KSA, Iraq & Kuwait
- **Slightly lower profitability** despite higher raw material and freight costs

Atyab[1]

AED'MN

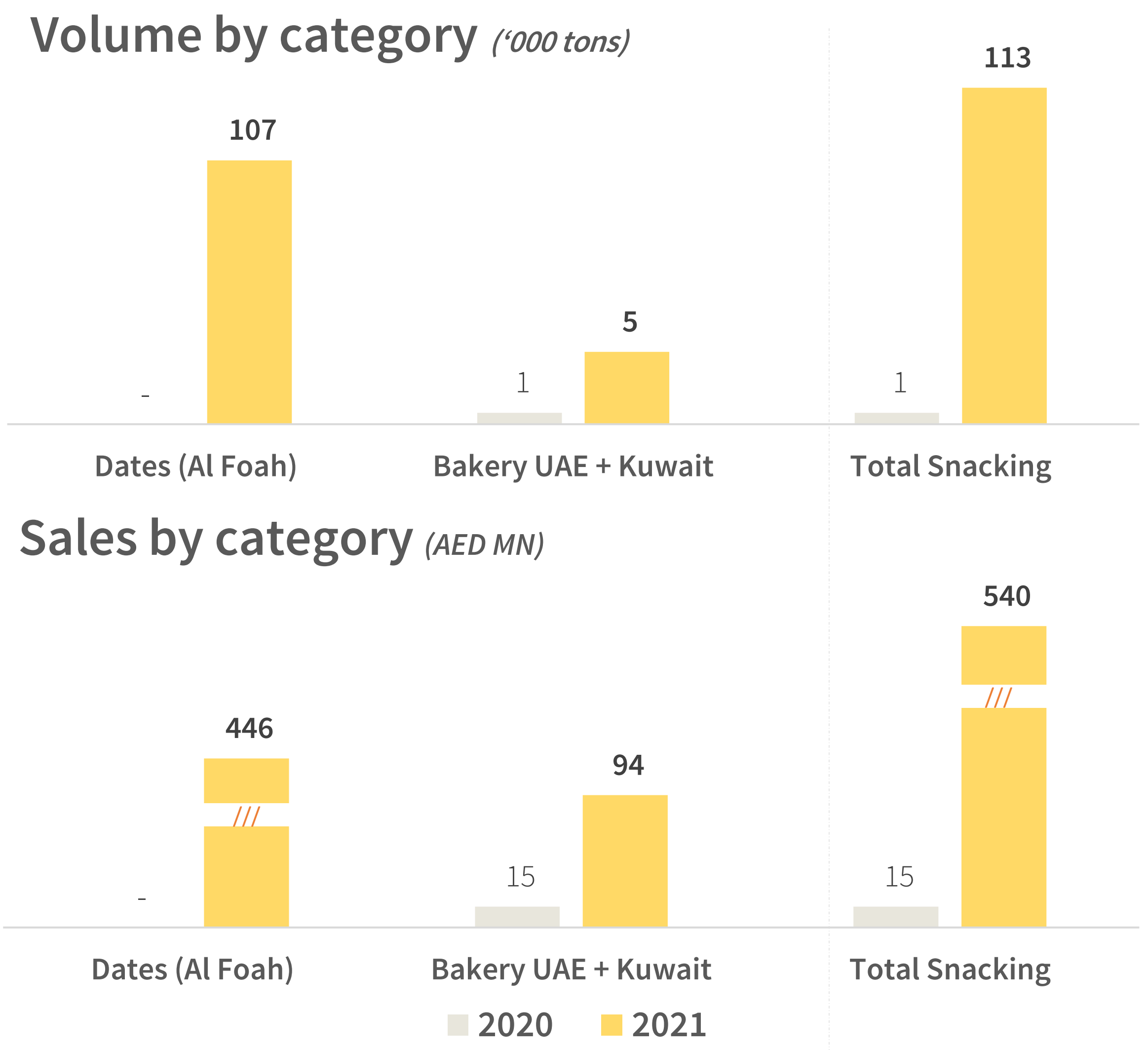




- **Higher revenues** on higher volumes after eased COVID-19 restrictions versus last year and higher pricing to reflect on global inflation
- **Lower profitability** on unfavourable sales mix with higher raw material and freight costs

[1]The figures are for the period post consolidation date: Nabil Q2+Q3+Q4; Atyab Aug + Sept + Q4
[2]NCI = non-controlling interest

Snacking



Snacking *(18% of 2021 revenues)*

Dates

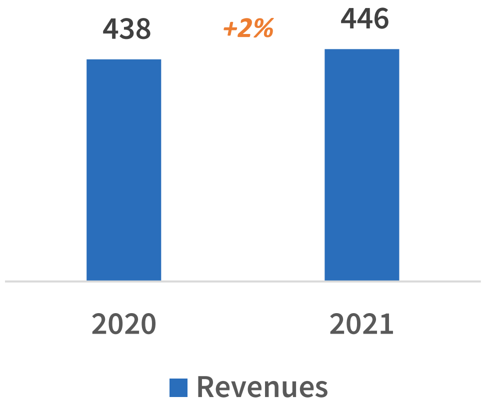
- **Al Foah**: consolidation since Jan. 1 added AED 446MN to top-line

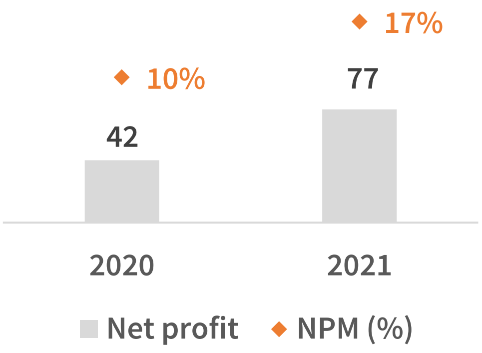
Bakery

- **Kuwait:** Al Faysal consolidation since Jan. 27 added AED 92MN to top-line
- **UAE**: Lower versus last year which benefited from partnership with local authorities in response to COVID-19

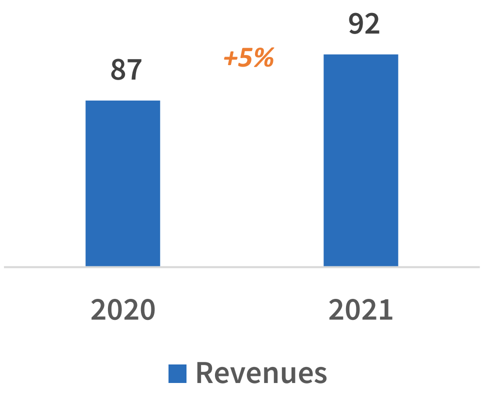
Snacking - Pre & Post Acquisition Performance

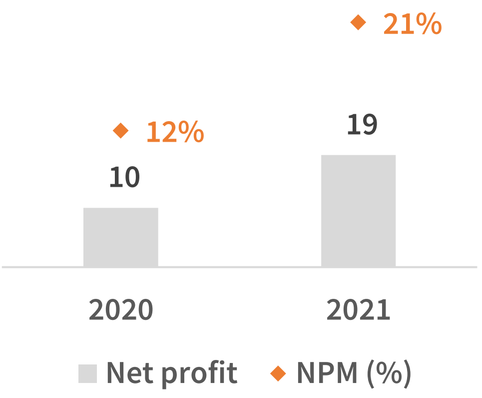
Al Foah[1]
AED'MN





Al Faysal[1]
AED'MN





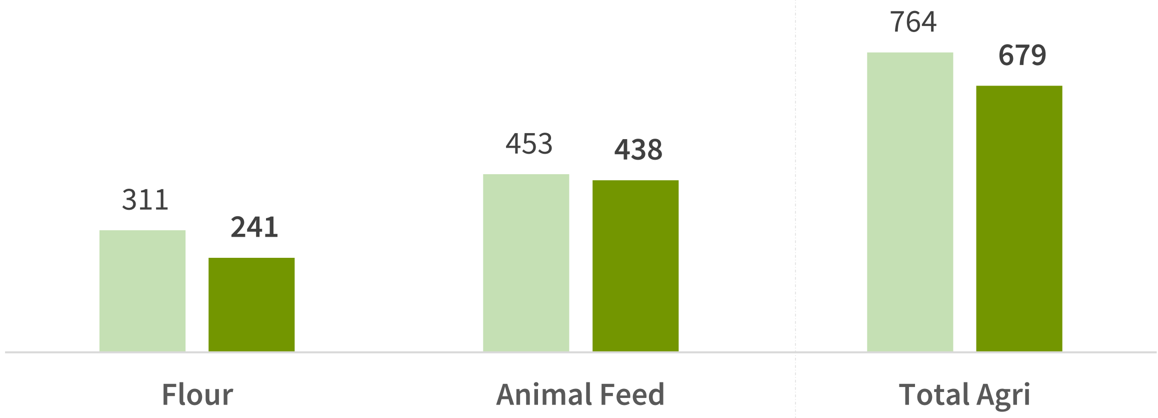
- **Slightly higher revenues** on higher volumes as we focused on strengthening our presence in the retail segment which more than offset pricing pressures
- **Significantly improved profitability** versus last year on lower direct material costs & overhead post integration

- **Higher revenues** supported by an increase in volumes specifically in Q4 after eased COVID-19 restrictions in Kuwait
- **Enhanced profitability** on favorable sales mix and cost optimization initiatives despite higher raw material costs

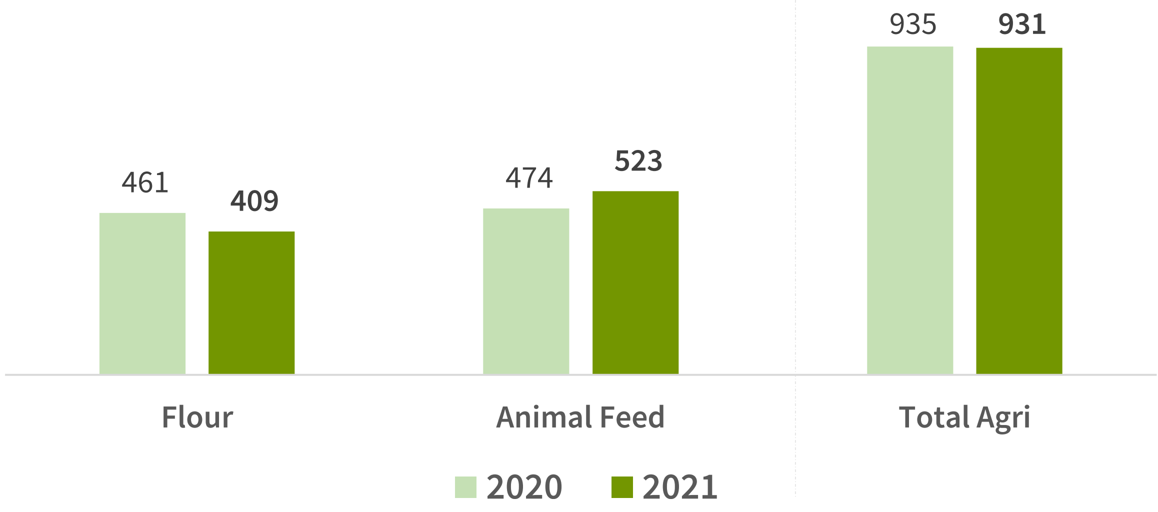
[1]The figures are for the period post consolidation date: Al Foah full year; Al Faysal 27th Jan onwards
**Al Foah and Al Faysal net profits in 2020 are normalized for non-recurring items*

Agribusiness

Volume by category *('000 tons)*



Sales by category *(AED MN)*



Agribusiness *(30% of 2021 revenues)*

Flour

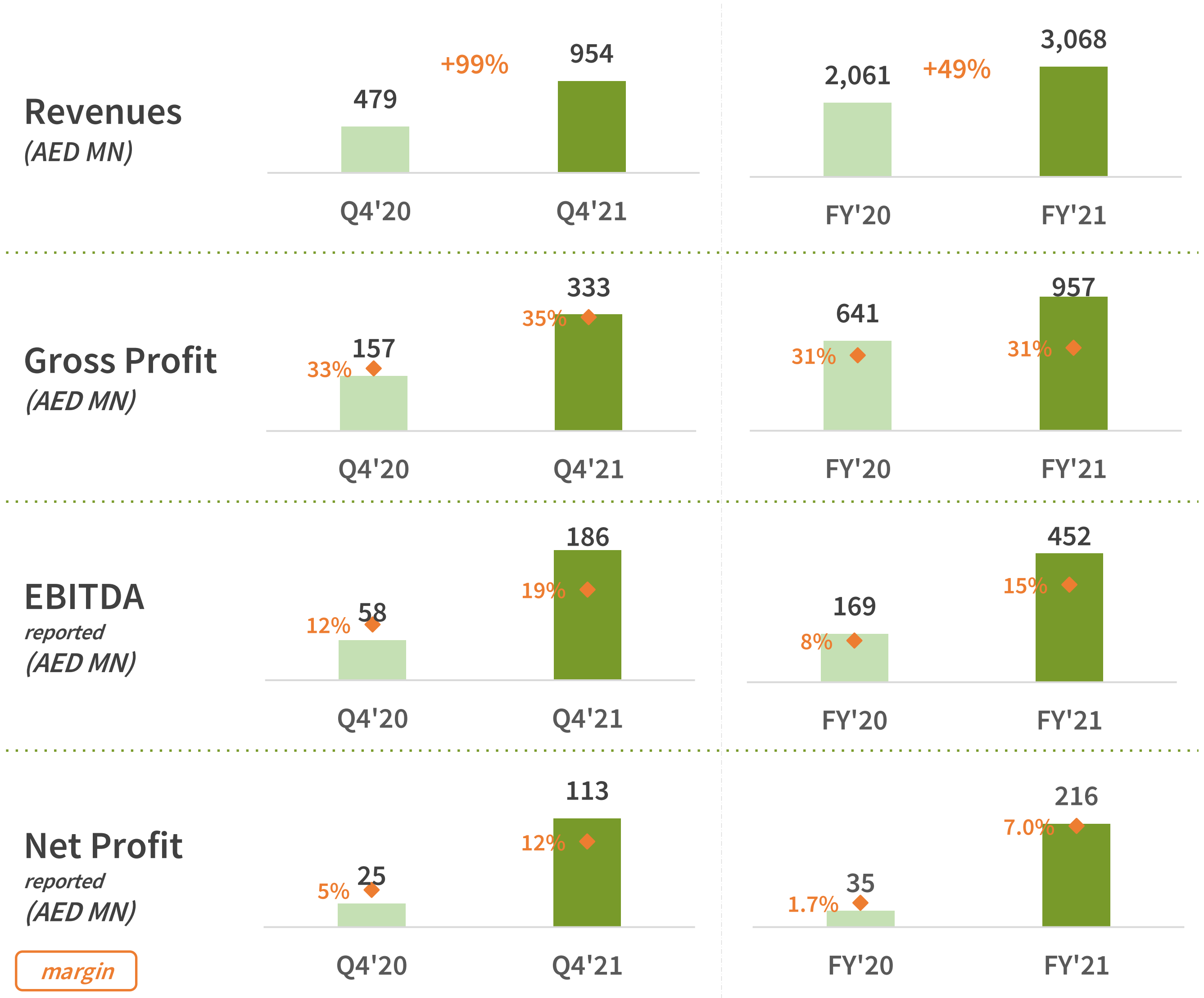
- Lagging last year sales which was driven by World Food Program order and wheat trading
- Favourable mix with higher pricing significantly reducing the impact of increased raw material / freight costs

Animal Feed

- Higher non-subsidized sales overcompensating for lower subsidized volume
- Inflation in grain prices / freight costs continued to put pressure on margins which we were addressing through operational efficiencies and pricing adjustments.
- In the commercial farms channel, we were allowed to increase prices starting August 2021. The H1 2021 adverse impact of higher grain prices was mitigated in Q4 2021.

Financial Performance

Group P&L highlights



Revenues

- Sustainable leadership position across key categories
- Growth largely driven by the consolidation of Al Foah, Al Faysal, Nabil & Atyab

Gross Profit

- Flat margins despite higher direct raw material costs on global inflation

Net Profit

- Reported net profit for 2021 came in at AED 216MN vs. AED 35MN last year
- Excluding AED 41MN M&A & transformation associated costs from this year and AED 83MN one-off provisions from last year, normalized net profit will reside at AED 257MN *(+119% y-o-y)*

Profitability metrics[1]

Metric	FY'20	FY'21	y-o-y
EBITDAm *normalized*	12.2%	16.1%	+391bps
NPM *normalized*	5.7%	8.4%	+269bps
RoE[2] *normalized / proforma*	6.2%	11.6%	+547bps
RoCE[3] *normalized / proforma*	5.0%	7.7%	+269bps

Profitability margins

- On normalized basis, EBITDA margin enhanced by 391bps y-o-y driven by:
  - ✓ consolidation of 4 margin accretive entities
  - ✓ cost optimization via integration & productivity enhancements
  - × higher raw material / freight costs
- Net profit margins was up by 269bps on:
  - ✓ improved EBITDA margins
  - × higher finance cost on debt financing of acquisitions
  - × higher non-controlling interest contribution from Nabil & Atyab consolidation

Improved Returns

- RoE enhanced by 547bps on the addition of value accretive acquisitions *(assuming 5 acquisitions were consolidated since the beginning of 2021)*
- RoCE improved by 269bps after acquisitions

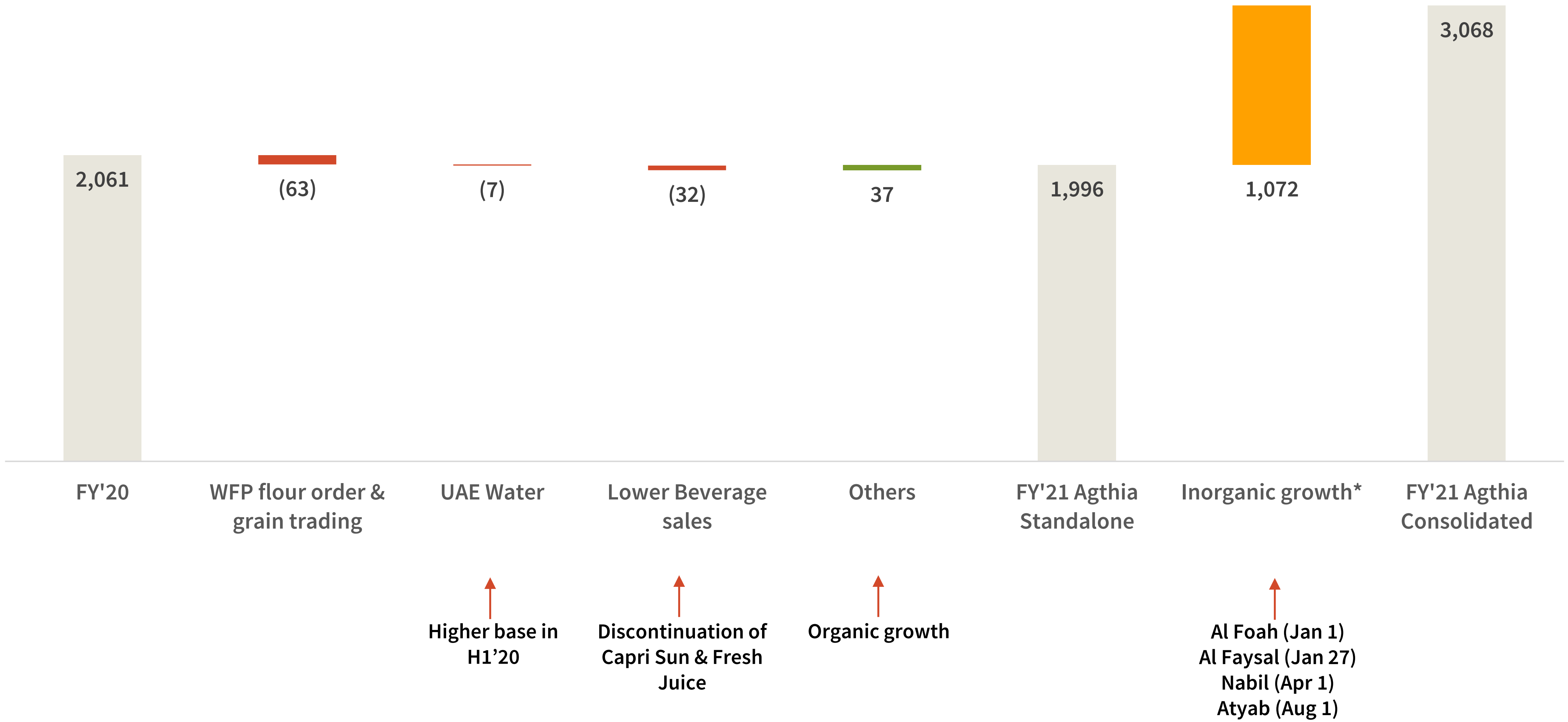
[1] *Normalized EBITDA & Net Income for one-offs: (i) Provisions of AED 82.5MN in FY'20 and (ii) M&A associated costs of 40.7MN in FY'21*

[2] *RoE = Return on Equity = FY Normalized proforma net income / Equity* [3] *ROCE = Pre-tax Return on Capital Employed = FY Normalized proforma EBIT / Capital Employed (Total Assets – Current Liabilities)*

2021 Proforma assumes 100% P&L consolidation of Al Foah, Al Faysal, Nabil, Atyab & BMB on 1st Jan 2021

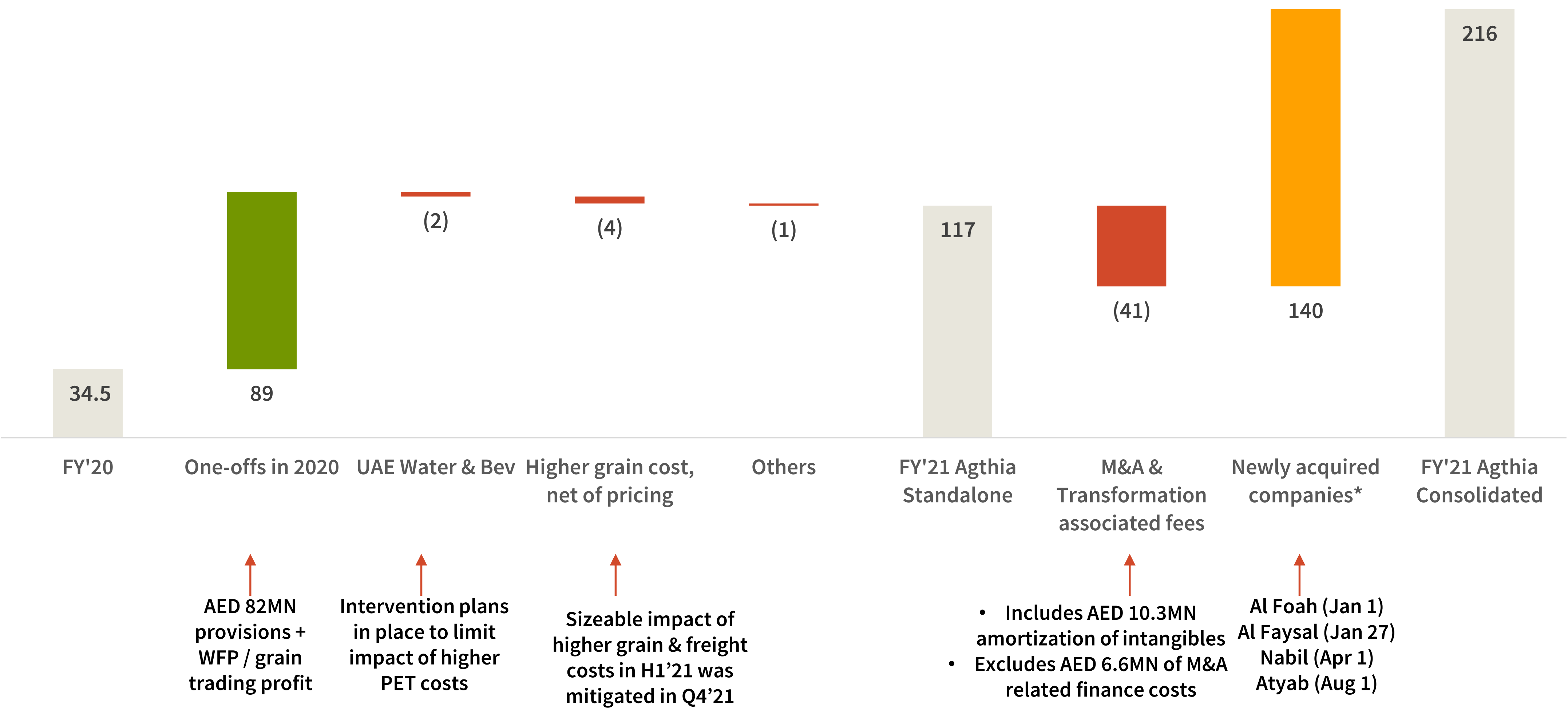
Top line reconciliation

Group revenues *(AED MN)*



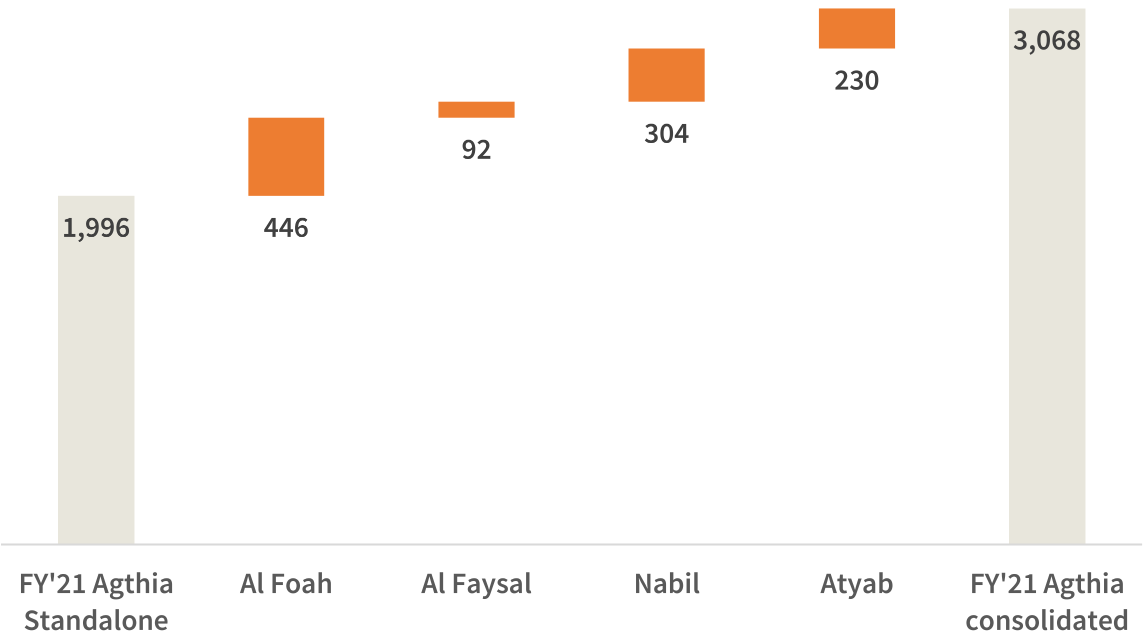
Bottom line reconciliation

Group net profit *(AED MN)*

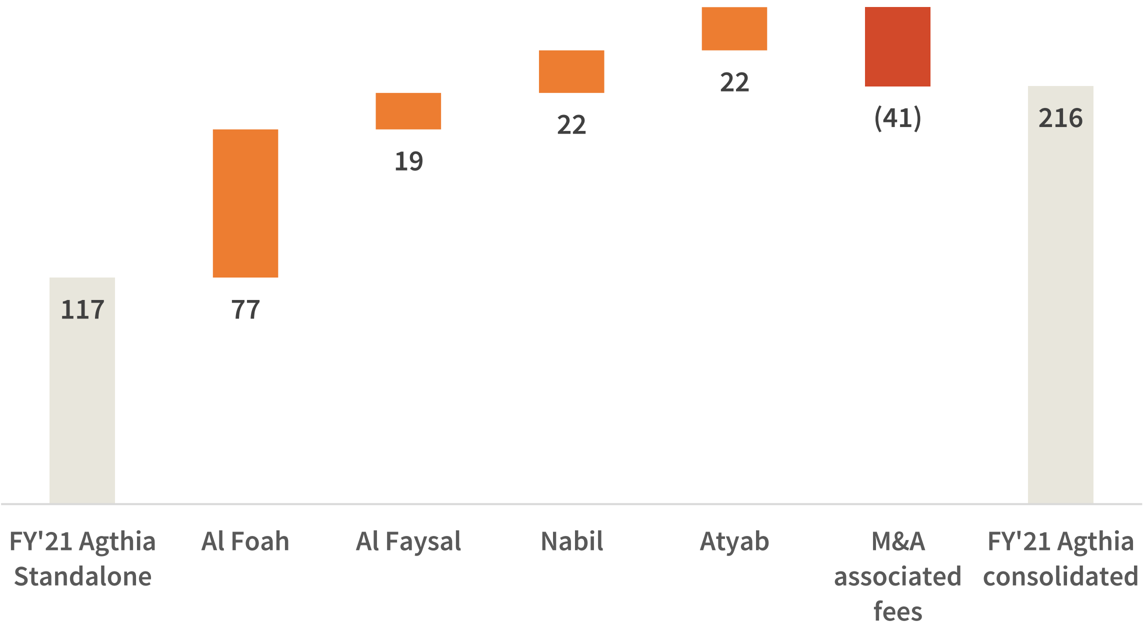


Inorganic growth

Group revenues *(AED MN)*



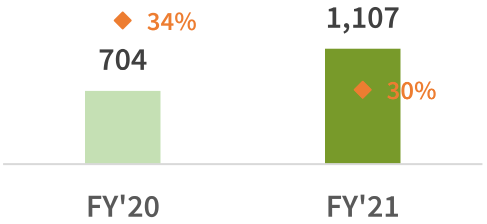
Group net profit *(AED MN)*



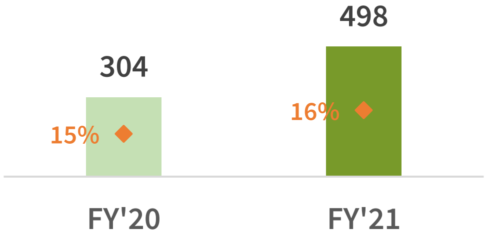
[1]Post consolidation of Al Foah on Jan 1 2021, Al Faysal Bakery on Jan 27 2021, Nabil Foods on April 1 2021 and Atyab on August 1 2021
[2]80% of Nabil net profit, 75% of Atyab net profit

Resilient cash flow generation

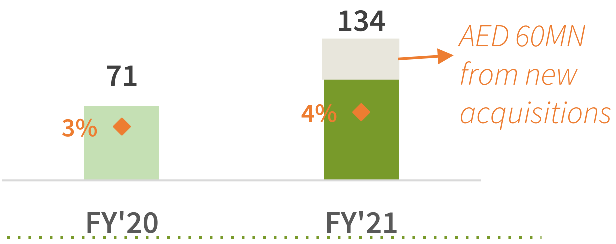
Net Working Capital[1]
(AED MN)



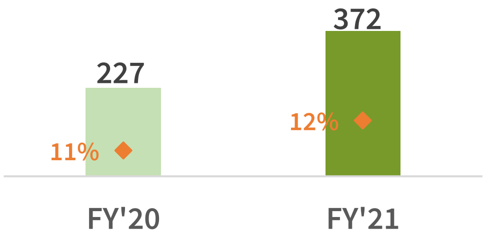
Operating Cash Flow
(AED MN)



CAPEX
(AED MN)



Free Cash Flow[2]
(AED MN)



%sales

Operating Cash Flow

- Robust liquidity position
- Focus on WC overhaul *(WC% proforma sales improved by 441bps y-o-y)*
- Better Cash flow conversion cycle by 15 days versus last year

CAPEX

- Higher versus last year with the consolidation of the acquisitions which alone added AED 60MN
- Mostly maintenance CAPEX

Free Cash Flow

- Significantly enhanced FCF on improved operational performance
- Further lift from the inclusion of acquisitions

[1]Net Working Capital % sales = Net working Capital / Proforma Sales (assuming 5 entities were consolidated since Jan 1 2021)
[2]Free Cash Flow to Firm = normalized EBITDA + Change in Working Capital – CAPEX

Robust balance sheet

Borrowings

AED **2.1** BN

+284% vs. FY 2020

minus

Cash & Equivalents

AED **1.1** BN

+45% vs. FY 2020

equal

Net Debt

AED **936** MN

Net Debt / 2021 EBITDA

2.1x

Borrowings

- Higher borrowings versus last year mainly from raising new debt to fund Al Faysal, Nabil, Atyab and BMB acquisitions

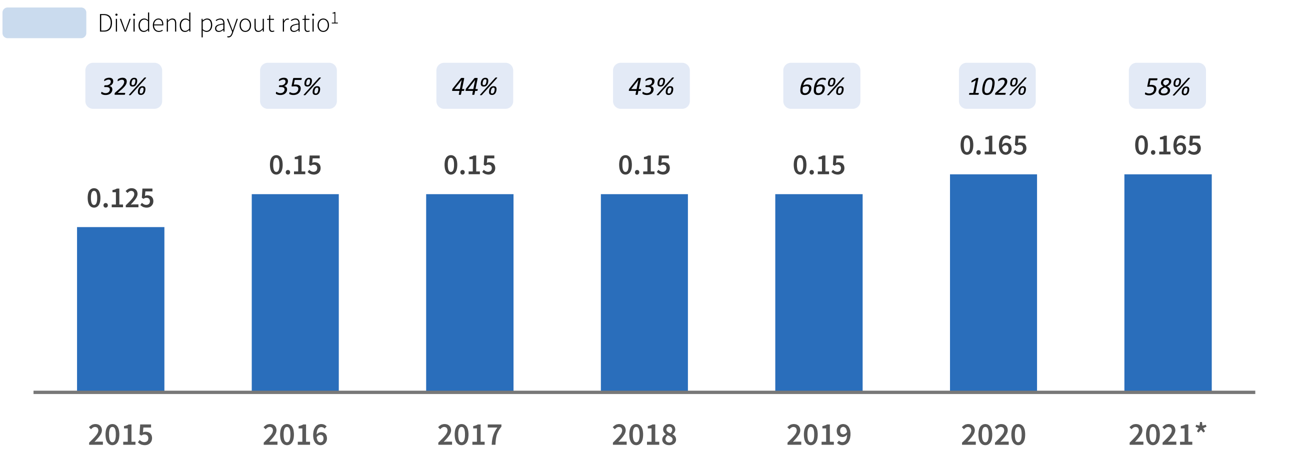
Net Debt / EBITDA

- Balance sheet remains robust with 2.1x net debt / 2021 EBITDA (reported) even after funding the acquisitions of 5 new entities

Dividends

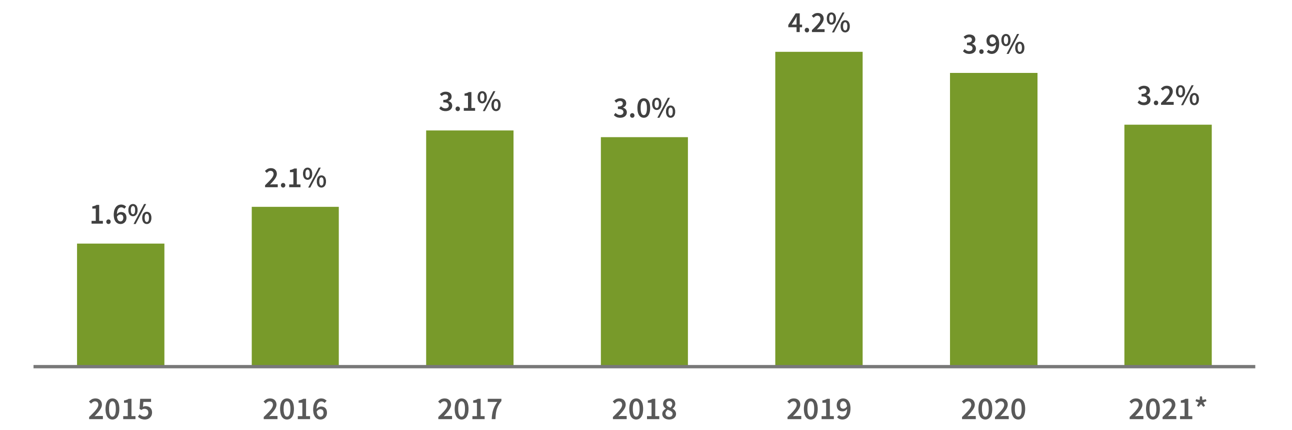
Dividends per Share

AED



Dividend Yield

%



Semi-Annual Dividends Policy

- Agthia recently adopted a semi-annual dividend policy, in-line with our commitment to maximizing shareholders' returns
- On Sept. 27, 2021, shareholders approved 8.25fils dividends per share (total AED 65.31MN) for H1'21; marking our first interim dividend
- On March 7, 2022, the board recommended 8.25fils dividends per share (total AED 65.31MN) for H2'21; subject to shareholder's approvals in the upcoming AGM

[1] Based on normalized EPS

**2021 DPS is subject to AGM approval on H2'21 recommended semi-annual dividend by the Board*

Q&A

Appendix

Strategy Re-Cap : Our Long-Term Ambition

Becoming a regional F&B leader by 2025

From…	To…
UAE centric	Footprint MENAP & beyond
Commoditized portfolio	Value-add F&B brands
Stable financial performance	Superior shareholder returns
Local organization mindset	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

Summary of Acquisitions

Announcement	OCT 2020 **100%**	DEC 2020 **100%**	JAN 2021 **80%**	APR 2021 **75%**	AUG 2021 **100%**
	الفوعة AL FOAH	ALFAYSAL الفيصل	نبيل NABIL SINCE 1945	Atyab	BMB Share the Joy
Consolidation	Jan 1, 2021	Jan 27, 2021	April 1, 2021	Aug 1, 2021	Dec 31,2021
Segment	Snacking	Snacking	Protein	Protein	Snacking
Footprint	Int'l (GCC & Asia)	Kuwait	Jordan, GCC, Iraq	Egypt	KSA, UAE, USA
Consideration	AED 450 MN	AED 161 MN	AED 520 MN	AED 564 MN	AED 646 MN
Funding	100% Equity	95% Debt + 5% Cash	75% Equity + 25% Cash	100% Debt	100% Debt
Rationale	Scale, Category (*Superfood*), Brands	Brand, Market Scale	New Category, Brand, Scale	Scale, Brands	Category Upscale, Brands, Footprint
Revenues[1]	AED 451MN	AED 98 MN	AED 398 MN	AED 498 MN	AED 278 MN
Profitability[1]	22%	25%	16%	17%	16%
RoCE[1]	16%	36%	19%	53%	31%

[1] As of 2021; Profitability = EBITDA margin; RoCE = Pre-tax Return on Capital Employed = EBIT / (Total Assets – Current Liabilities)

Agthia's Categories of Focus

Category	Water & Food	Agribusiness	Protein & Frozen Veg.	Snacking
Assets	al ain, ALPIN Natural Mineral Water, VOSS artesian water from norway, Ice Crystal, al bayan feel good, العين al ain	agrivita Feed Solutions, المطاحن الكبرى Grand Mills	نبيل NABIL Since 1945, Atyab, العين al ain	الفوعة AL FOAH, ALFAYSAL الفيصل, BMB Share the Joy
Key markets				

Sustainability Highlights: packaging initiatives

- Implemented projects related to cartons/secondary packaging from 100% recycled paper that resulted in:

15%
Reduction
In Weight

7,500
Fully Grown Trees
Saved from being cut

750mt
Paper Waste Saved
Equivalent to 100 fully loaded trailers

- Implemented plastic waste reduction & efficiency improvement projects that resulted in:

20%
Reduction in Land fill &
Greenhouse gas emission

300mt
Overall Plastic Weight Reduction
Equivalent to 1,800kg $CO2$ emission

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Investor Relations Department

March 2022