



For The Better • من أجل الأفضل

Investor Presentation

FY'22 results



08 March 2023

Disclaimer

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

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performance

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operational
highlights

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Guidance

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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 – to date

Delivering Growth

- **Consolidated six acquisitions** (AED 1.8BN acquired revenue)
- **2YR revenue CAGR +40%**
- **Four balanced business verticals** (Protein, Snacking, Water & Food, Agri)
- 75% of revenue from **focus categories**¹ (vs 55% in FY'20)
- 51% of revenue from **international markets** (10% in FY'20)

Driving Efficiency

- Focus on **productivity enhancement**:
 - >AED 130MN since Jan'21 (FY'22 c. AED 60MN)
- **Actively managing our portfolio**:
 - Strategic exit of loss-making entities: CapriSun, Fresh Juice, UAE Frozen Bakery and Palmera dates JV
- **Turnaround struggling businesses**:
 - Restructured KSA Water business (c. AED 18MN cost reset)

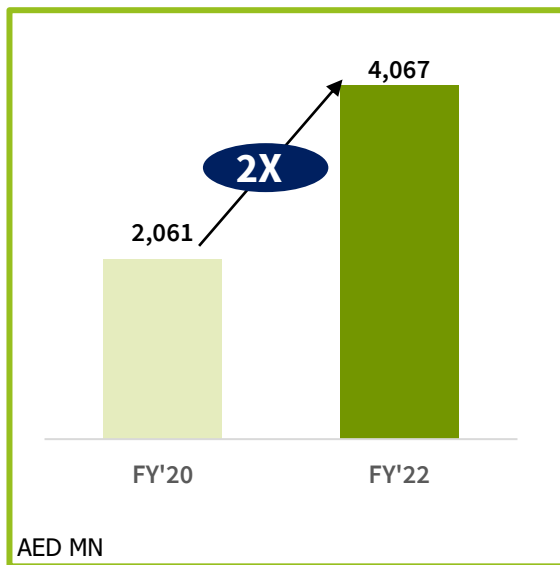
Expanding Capabilities

- **Strengthened leadership team**
- Progressed our strong **sustainability agenda**
- **Clear digital roadmap**
- **Strategic investment in capacity**: Protein expansion in KSA
- Accelerating **innovation**

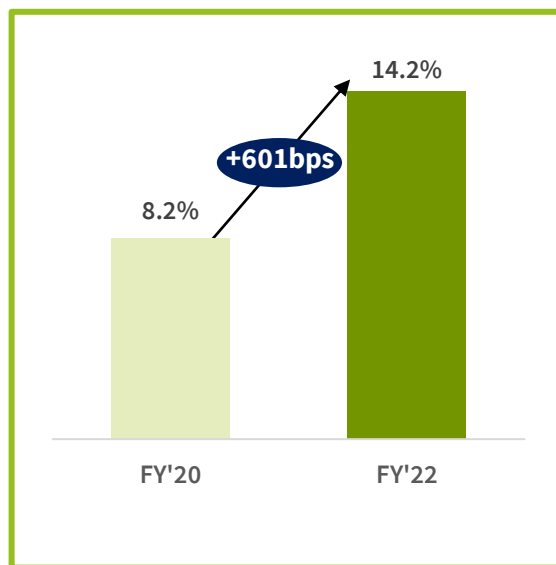
¹Focus categories include consumer businesses (Water & Food, Protein and Snacking)

Doubled the business with significant profitability improvement in 2 years

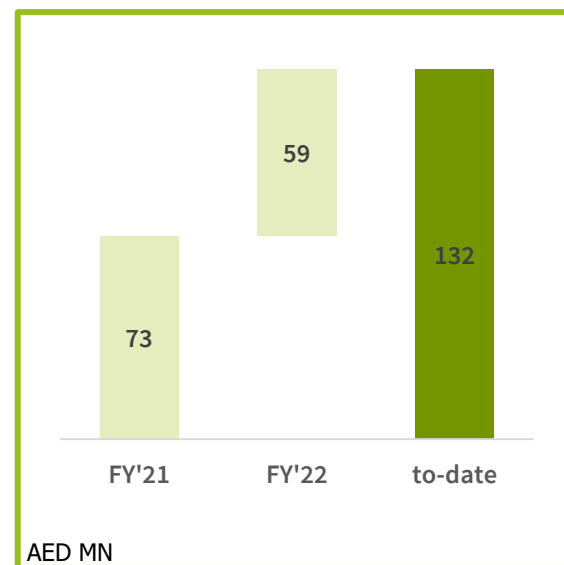
Doubled Revenue



+601bps EBITDAm



AED 132MN Synergies





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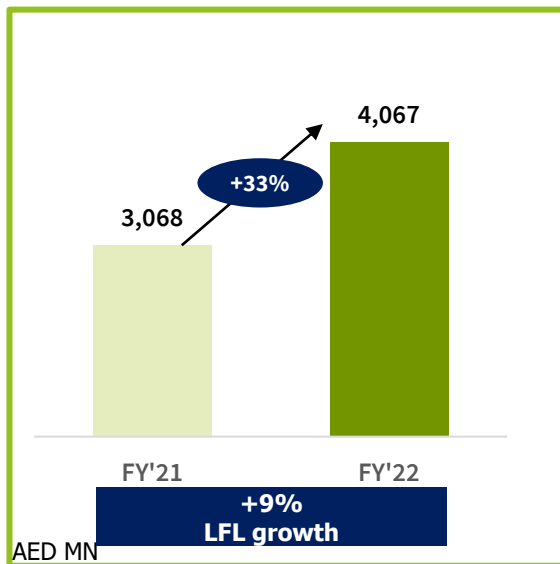
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Key Financials

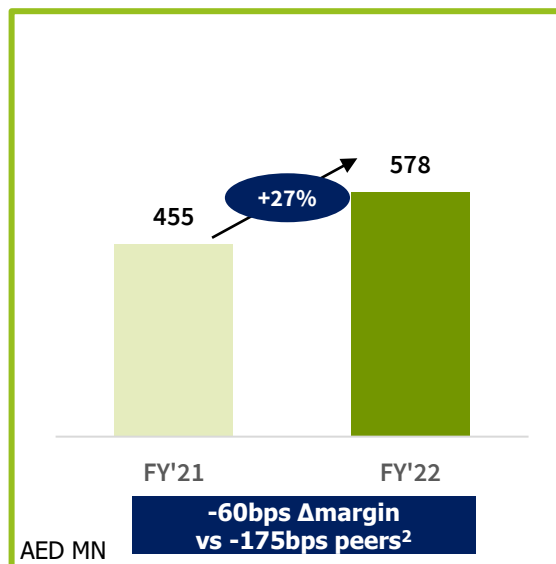


FY'22 headlines: Another strong performance year

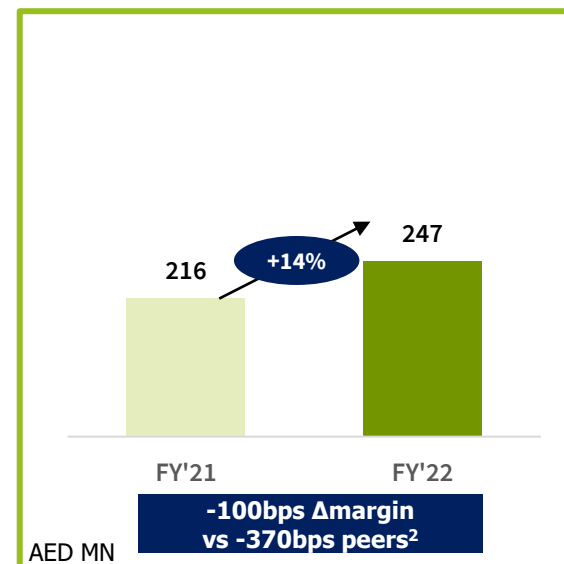
Strong revenue growth..



..in line with EBITDA



Double-digit net profit¹ growth



¹Net profit attributed to shareholders

²Regional & Global peers with reported FY'22

FY'22: Ahead of all external guidance



Revenue growth

+31%

+25 to 30%

2022 excl.
Abu Auf¹

2022
Guidance



EPS growth

+14%

+10 to 11%



FCFE

AED 497MN

AED 400MN

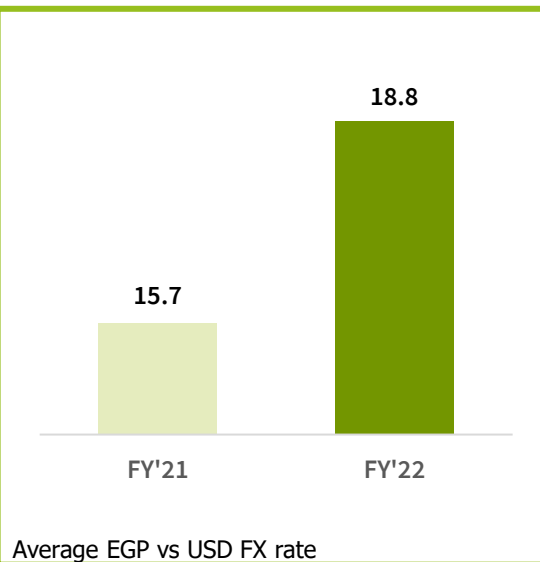
¹2022 metrics excluding the contribution and associated costs relating to the acquisition of Abu Auf in Q4'22

...amidst a challenging backdrop

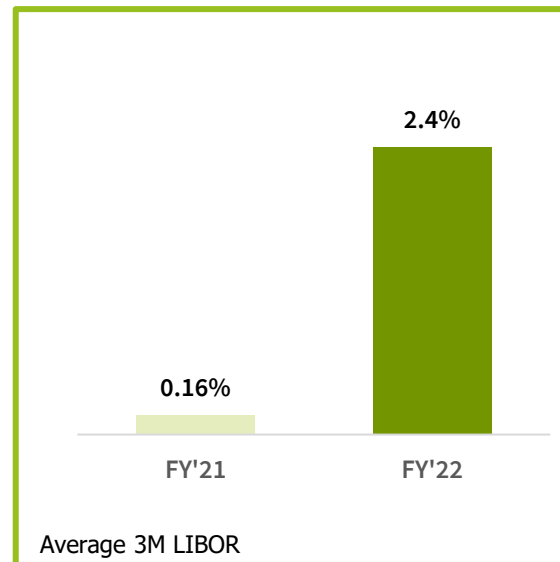
Commodity inflation

**+ AED
270 MN**
*additional
commodity costs*

EGP devaluation

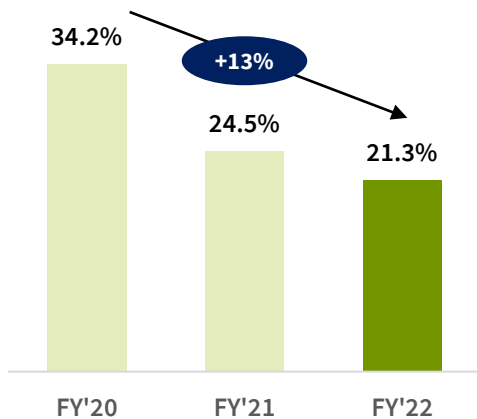


Rising interest rate



Proactive working capital management underpins good cash conversion

Improving NWC % of sales



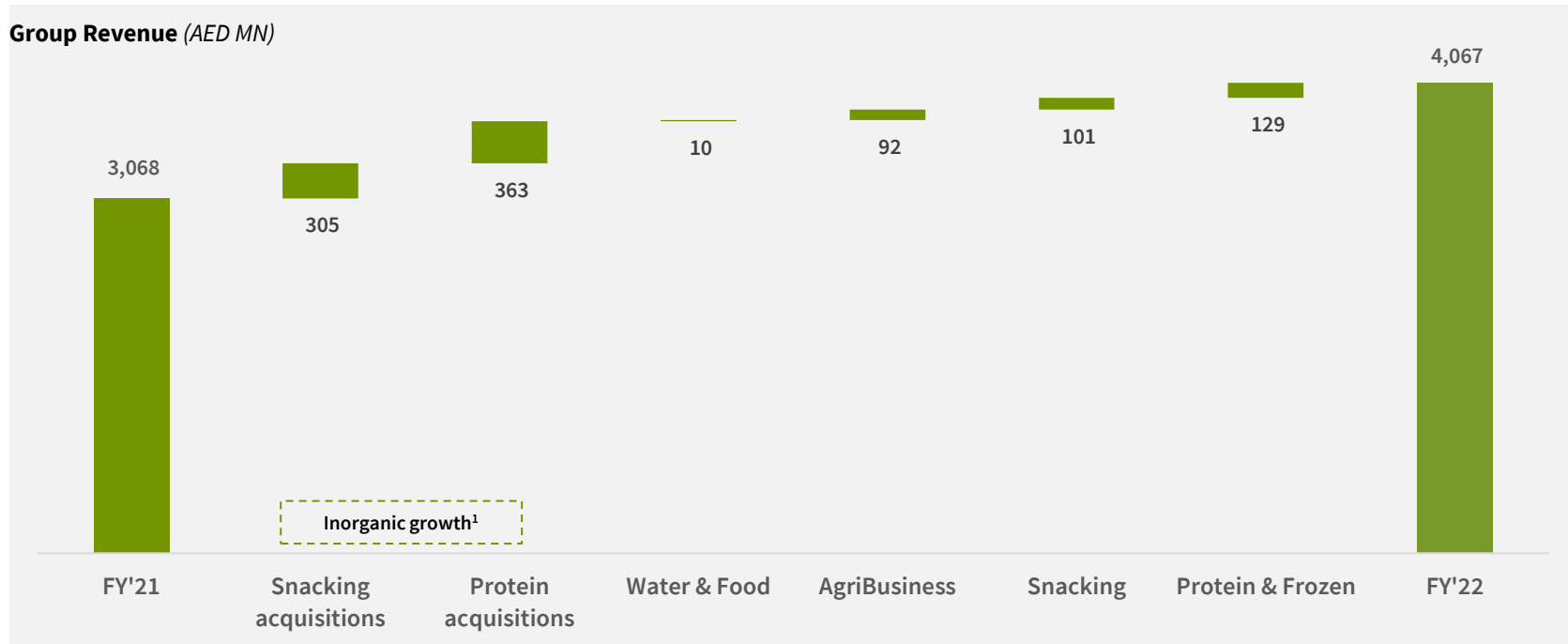
Healthy FCF conversion ratio¹

>100%

¹FCF conversion ratio = Free Cash Flow / Group Net Profit incl minority

Strong topline growth driven by key Protein and Snacking segments

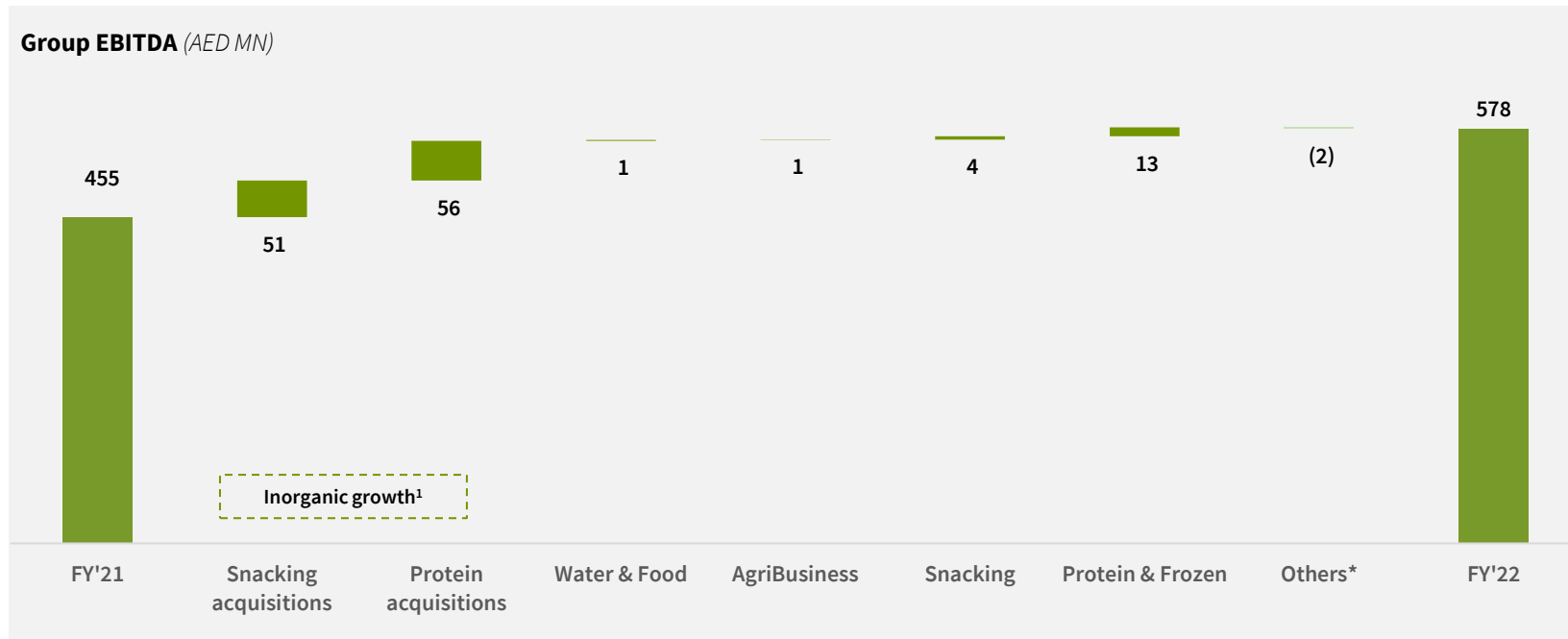
2022 revenue growth +33% YoY, with 22% from volume and 11% from pricing



¹Snacking acquisitions (inorganic growth) includes Al Faysal (1-27 Jan'21) + BMB (FY'21) + Auf (18Nov'21-31 Dec'21)
Protein acquisitions (inorganic growth) includes Nabil (Q1'21) & Atyab (H1'21 + July'21)

EBITDA growth broadly inline with revenue

2022 EBITDA growth +27% YoY



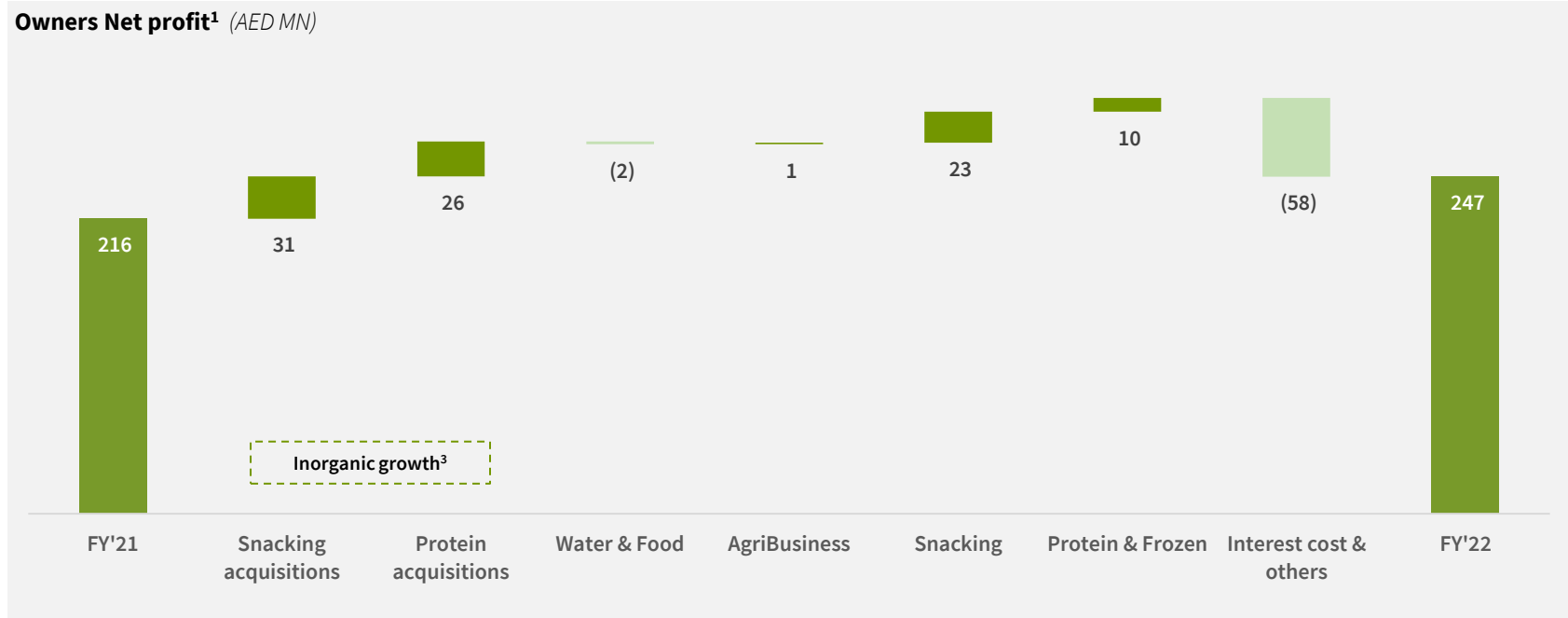
¹Snacking acquisitions (inorganic growth) includes Al Faysal (1-27 Jan'21) + BMB (FY'21) + Auf (18Nov'21-31 Dec'21)

Protein acquisitions (inorganic growth) includes Nabil (Q1'21) & Atyab (H1'21 + July'21)

*Others include Corporate Costs of AED 100.5MN in FY'21 vs AED 103MN in FY'22

Double digit net profit growth despite higher interest rate environment

2022 net profit growth +14% YoY



¹Net profit attributable to shareholders

²FY'22 includes AED 25.2MN amortization of intangibles + AED 45.6MN finance costs related to M&A debt

³Snacking acquisitions (inorganic growth) includes Al Faysal (1-27 Jan'21) + BMB (FY'21) + Auf (18Nov'21-31 Dec'21)

Protein acquisitions (inorganic growth) includes Nabil (Q1'21) & Atyab (H1'21 + July'21)

Robust balance sheet with low leverage

Net debt / EBITDA

2.3x

Interest coverage¹

7.6x

Liquidity²

AED 1.9BN

Dividend yield³

4.0%

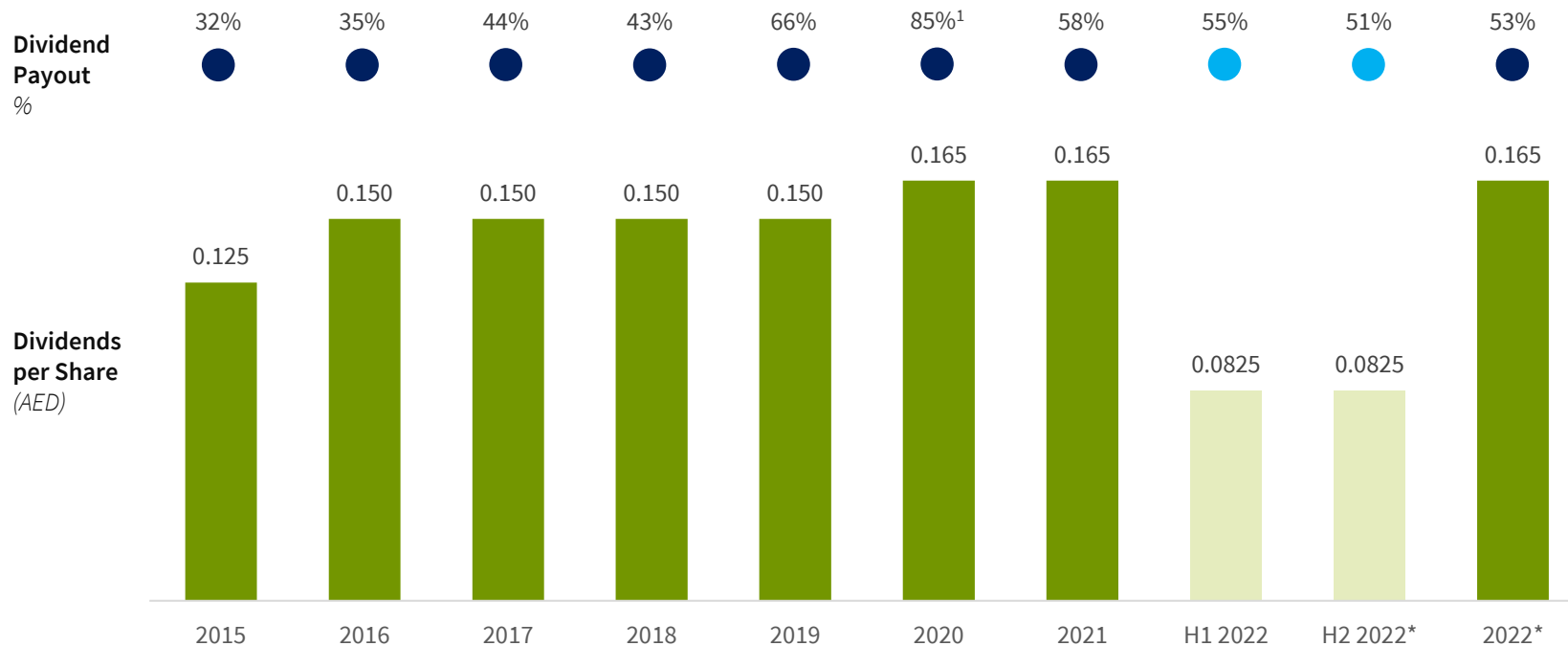
FY'22 DPS = AED 0.165²

¹Interest coverage = EBITDA / Interest expense

²Liquidity = Cash balance + undrawn portion of credit facilities

³Subject to shareholder approval; yield at Agthia's closing share price on 3-Mar-2023

Improved dividend trend



¹Normalized EPS for 2020

*H2'2022 recommended by board and subject to shareholders approval



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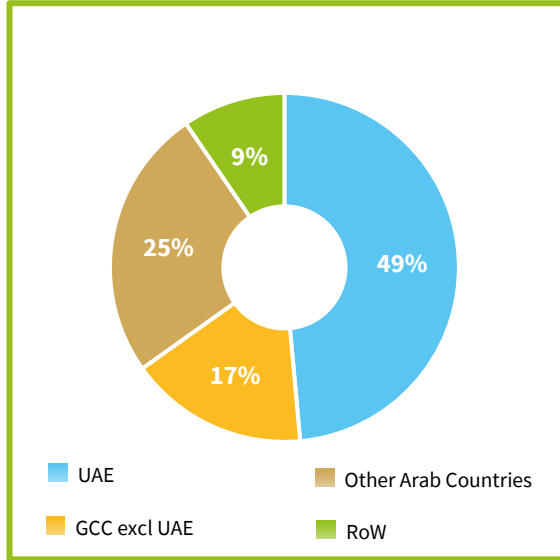
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Segmental performance

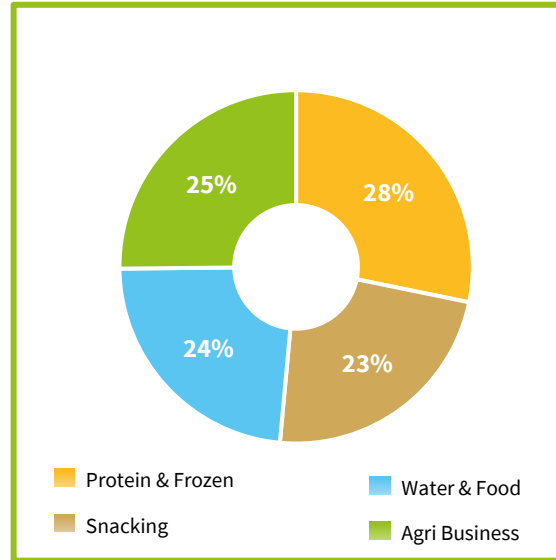


Shift towards high-growth segments in large growing scalable markets

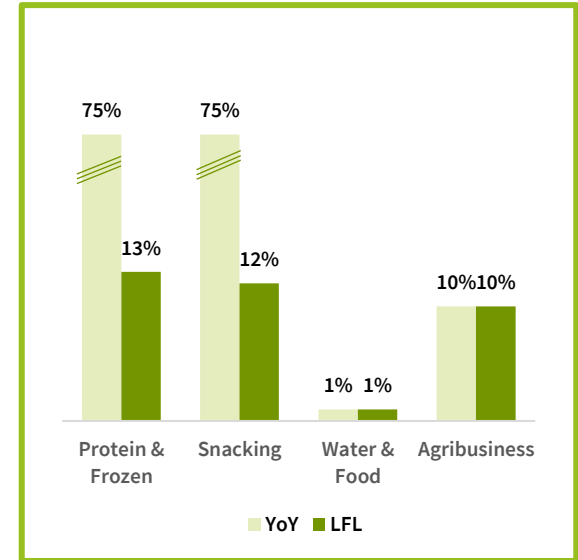
Diversified revenue by geography..



..and segments..

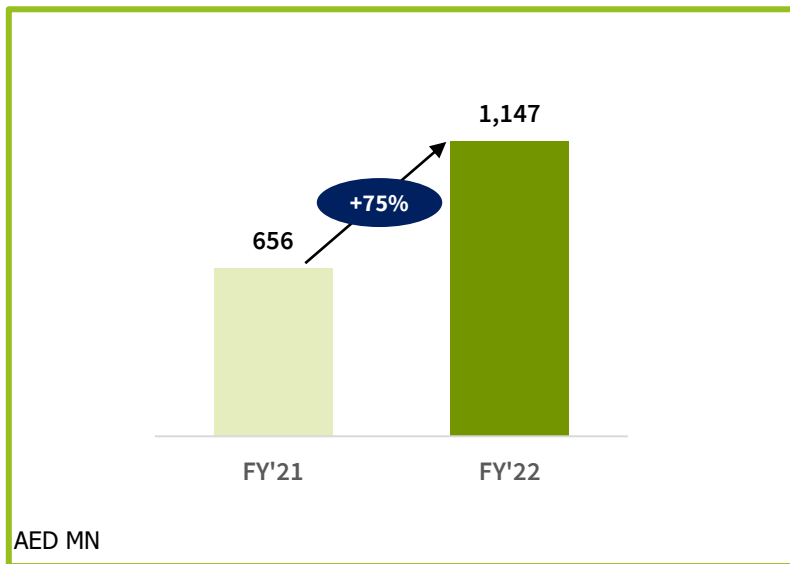


..with positive LFL growth per segment

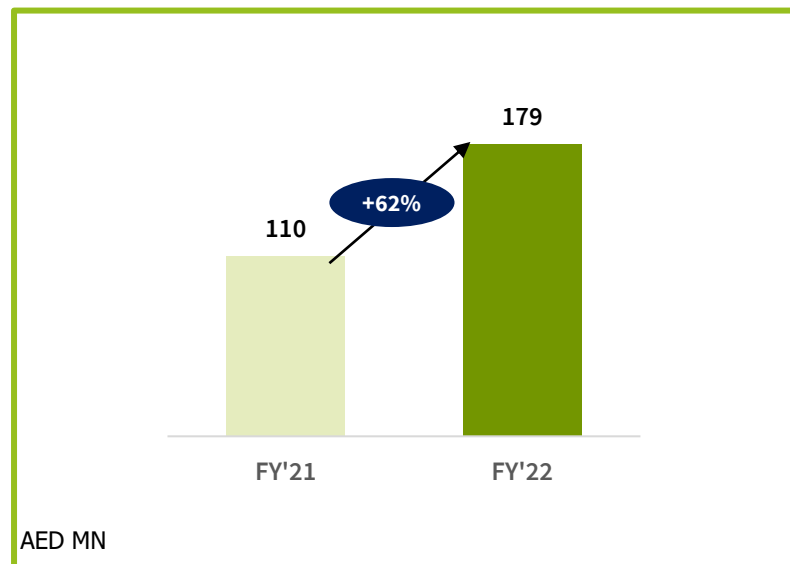


Protein: Strong and continuing momentum despite FX and commodity headwinds

Revenue

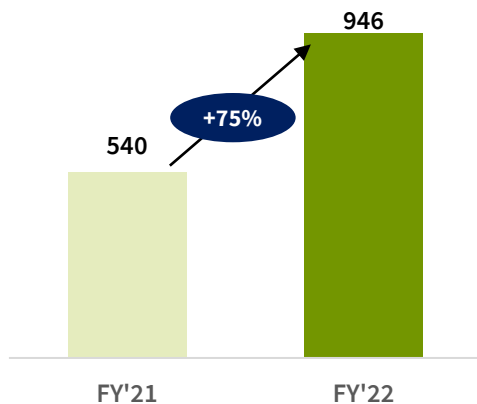


EBITDA



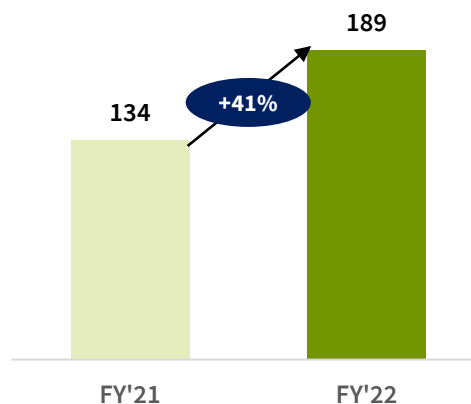
Snacking: strong volume growth in dates and contribution from BMB and Auf

Revenue



AED MN

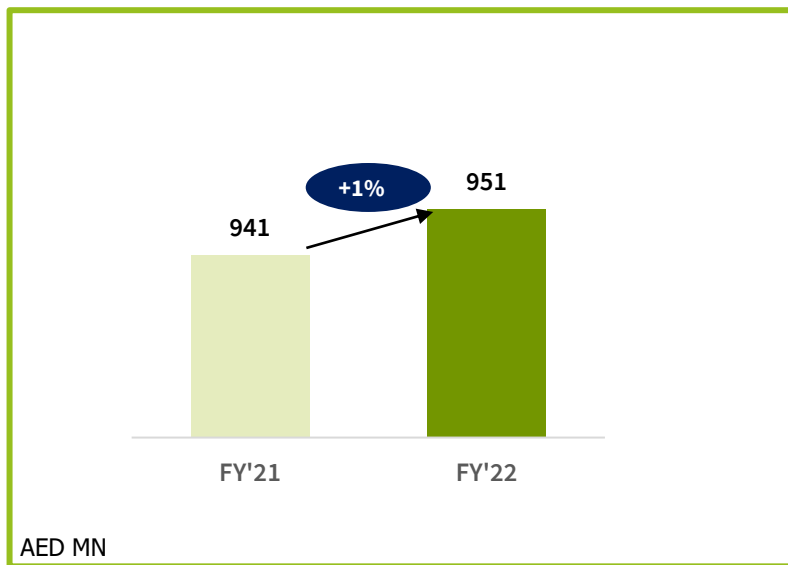
EBITDA



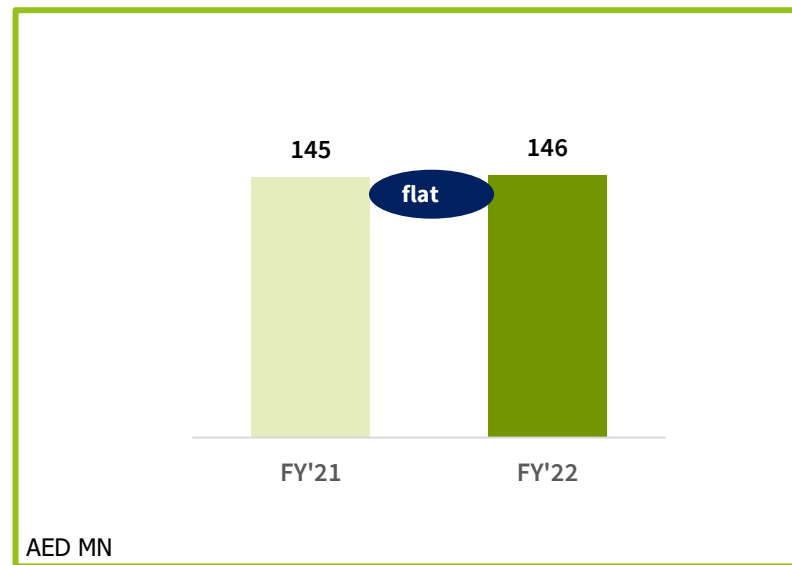
AED MN

Water & Food: retained market leadership in UAE water¹

Revenue



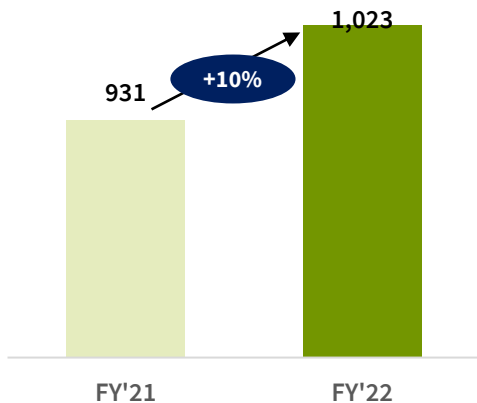
EBITDA



¹27.4% value share across retail channel in the UAE based on AC Nielsen retail audit for bottled water excluding mineral water – FY'22 submission

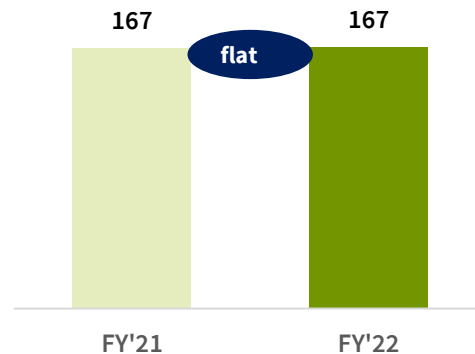
Agri: resilient performance despite significant commodity inflation

Revenue



AED MN

EBITDA



AED MN



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Key Operational Highlights

Strengthened 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

13 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:

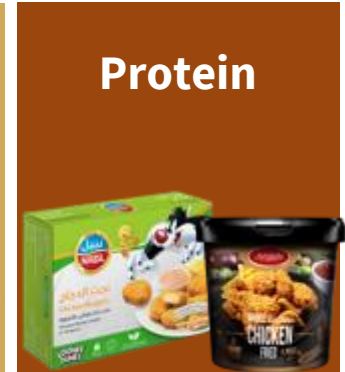
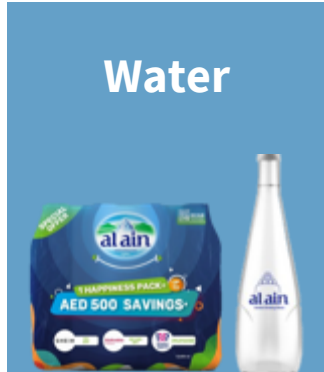
 New Hires

 Internal Promotions

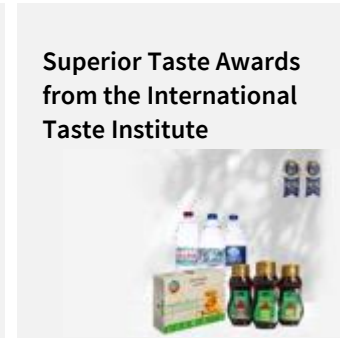
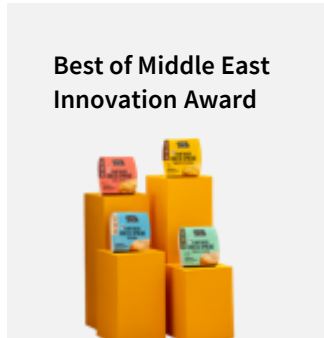
Sample Product Innovation and Awards



Innovation



Awards



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 \approx 6,500- 8,700 tons/annum
- \approx 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 optimised 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 3,000 tons
- **+5x PLA** YoY volume growth in 2022
- 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

- **2.6% reduction in water usage ratio** (2022 vs 2021)
- 4.9% reduction in water usage for Water BU (2022 vs 2021)
- **4.3% reduction in GHG scope 2 emissions** (2022 vs 2021)
- **1.3% decrease in electricity usage** (2022 vs 2021)

Partnerships

- **RECAPP partnership with Veolia:** free door-to-door collection service for recyclables
 - Collected 558 tons with 32,231 users
 - Reduced 1.18 ton of CO₂

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

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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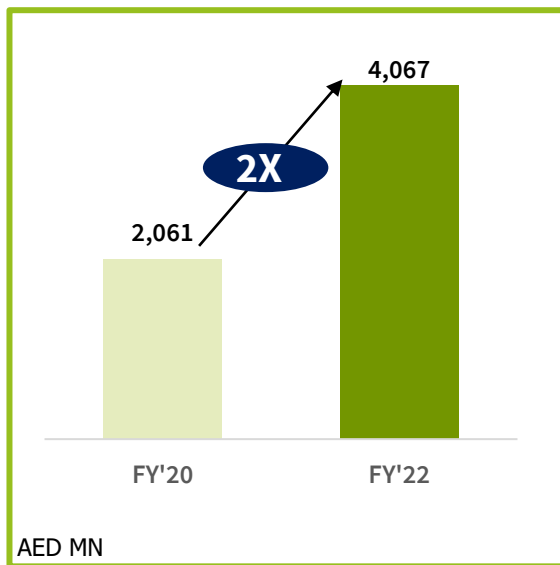
Guidance



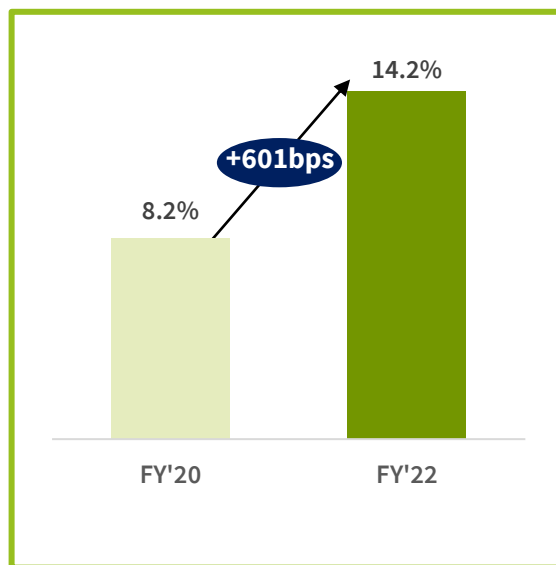
Recap:

Doubled the business with significant profitability improvement in 2 years

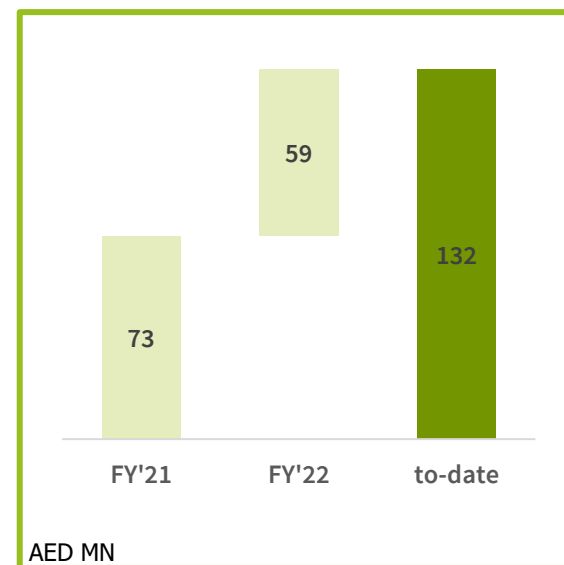
Doubled Revenue



+601bps EBITDAm

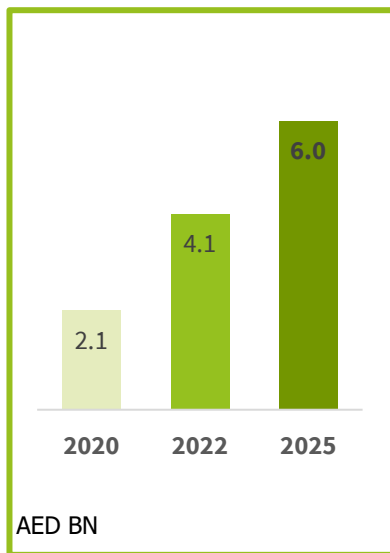


AED 132MN Synergies

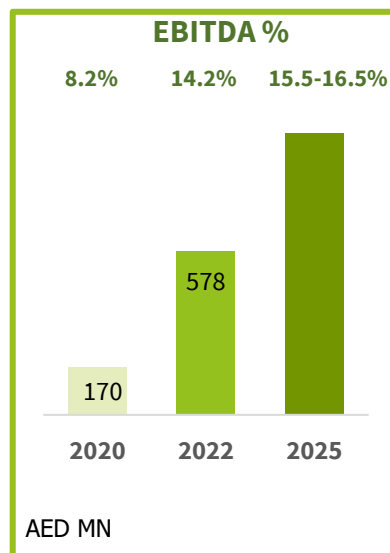


Reigniting 2025 ambition

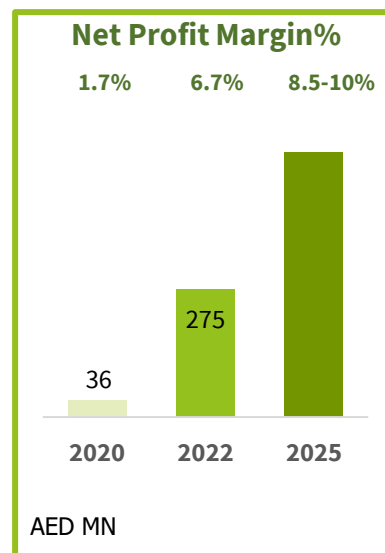
Revenue



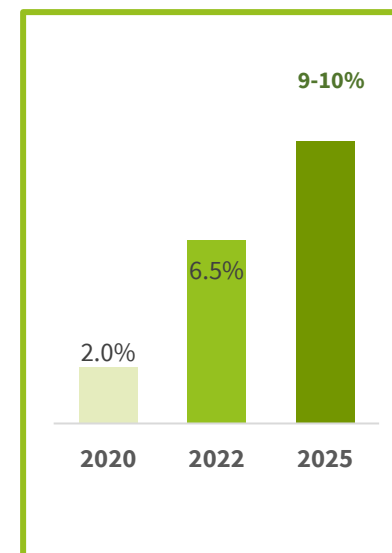
EBITDA



Group Net Profit¹



RoIC² %



¹Net income = 100% share of profit including minorities

²RoIC % = 100% net profit / (average equity + average net debt)

FY'25 Outlook

Revenue growth

AED 6 BN

*Double-digit growth CAGR +
Inorganic growth*

EBITDA margin

15.5-16.5%

+150 to 200bps

Group Net Profit
Margin¹

8.5 to 10%

+200 to 300bps

RoIC

9 to 10%

+250 to 350bps

¹Net income = 100% share of profit including minorities
Assumed UAE tax law effective starting Jan'24 (TBC)

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)



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Q&A





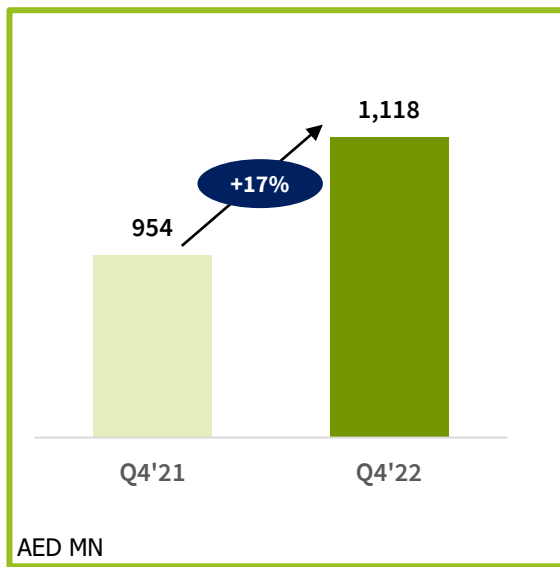
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Q4'22 Results Recap

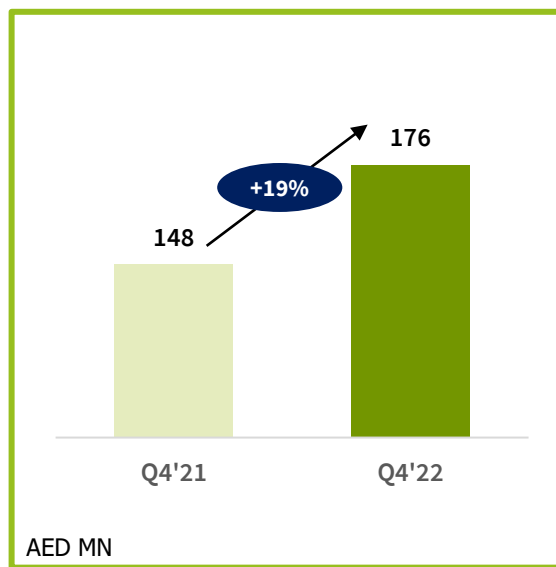


Q4'22 Group headlines

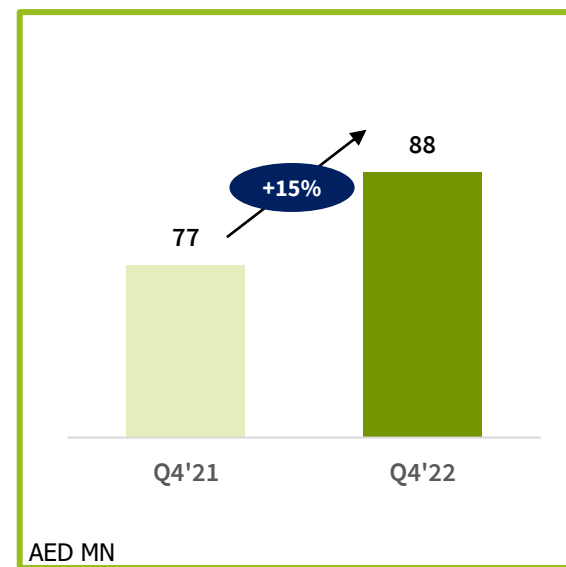
Strong revenue growth..



..outpaced by EBITDA¹



..in line with net profit^{1,2}

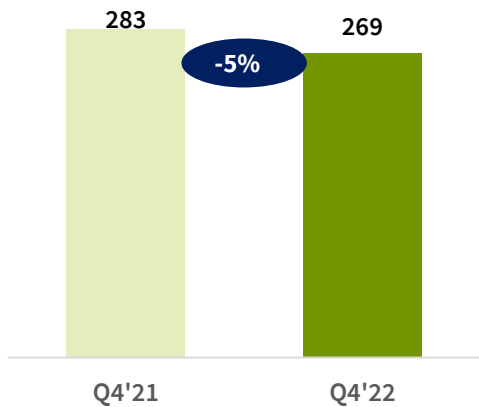


¹EBITDA and Net profit in Q4'21 exclude a one-off AED 36.2million price rebate

²Net profit attributed to shareholders

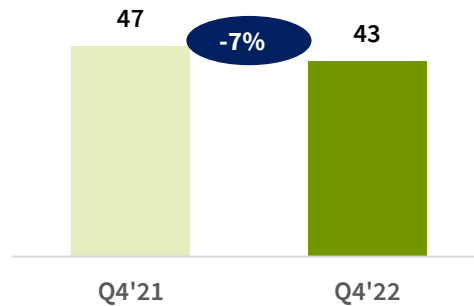
Q4'22 Protein headlines

Revenue



AED MN

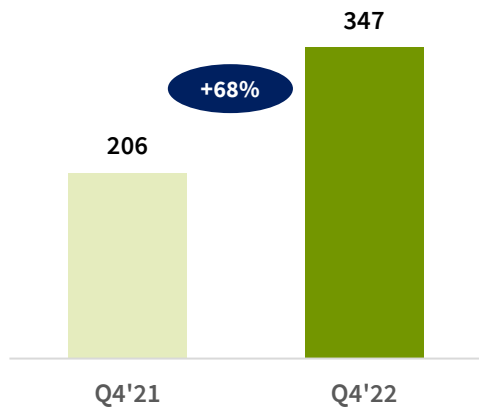
EBITDA



AED MN

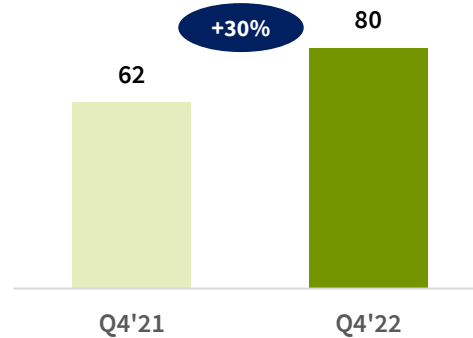
Q4'22 Snacking headlines

Revenue



AED MN

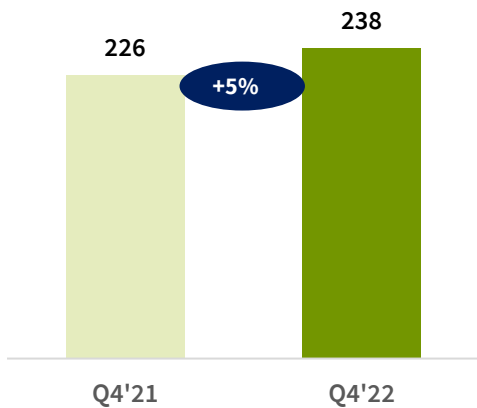
EBITDA



AED MN

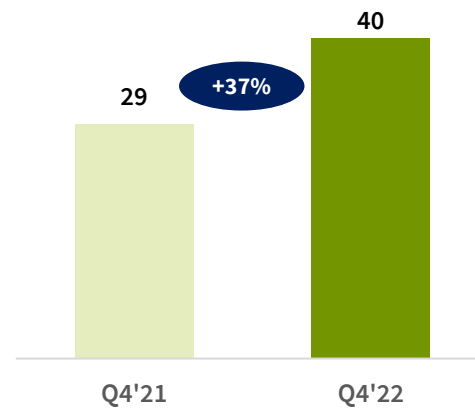
Q4'22 Water & Food headlines

Revenue



AED MN

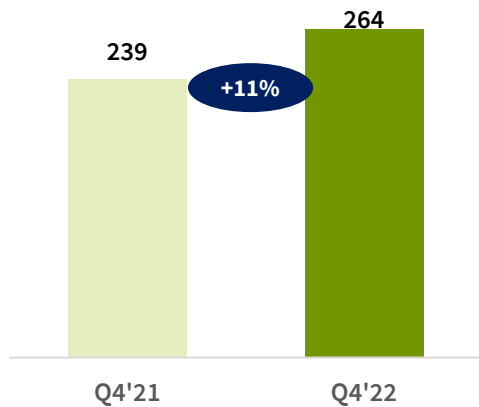
EBITDA



AED MN

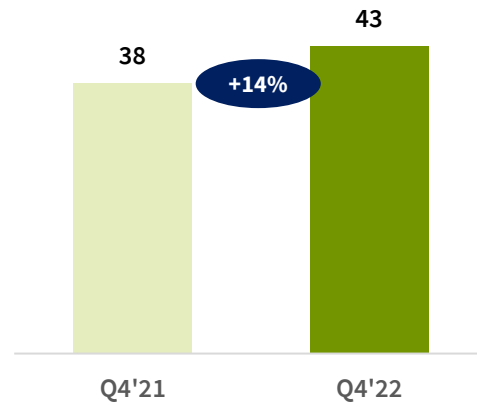
Q4'22 Agri headlines

Revenue



AED MN

EBITDA¹



AED MN

¹EBITDA in Q4'21 excludes a one-off AED 36.2million price rebate



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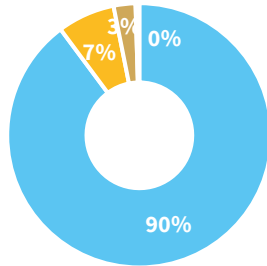
Appendix

Diversification into large, growing and scalable markets

51% of revenue from international markets (vs 10% FY'20)

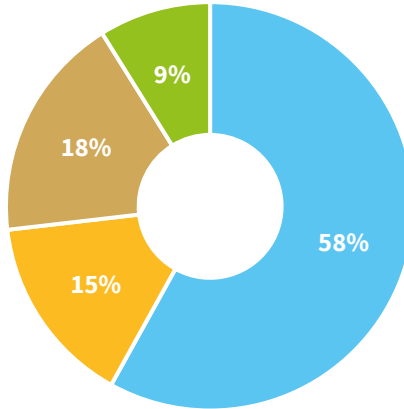
FY 2020

Revenues AED 2.1BN



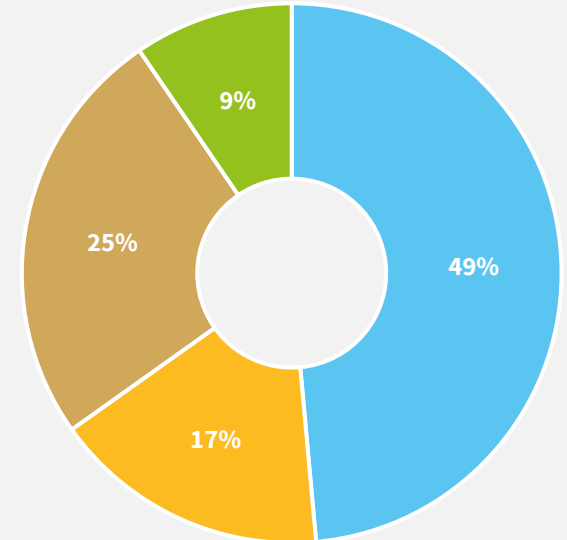
FY 2021

AED 3.1BN



FY 2022

AED 4.1BN (2x FY'20)



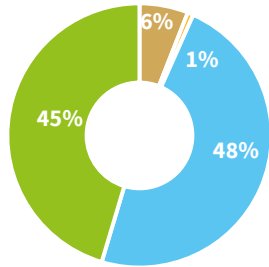
- UAE
- GCC excl UAE
- Other Arab Countries
- RoW

Shift into margin-accretive categories

75% revenue contribution from focus categories (vs 55% in FY'20)

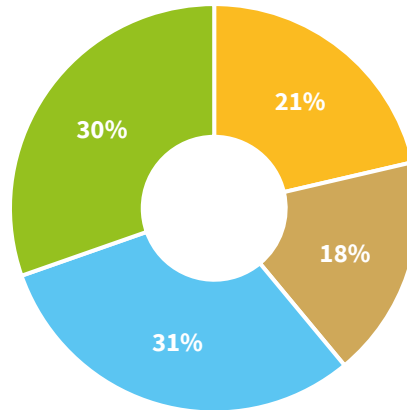
FY 2020

Revenues AED 2.1BN
EBITDAm 8.2%



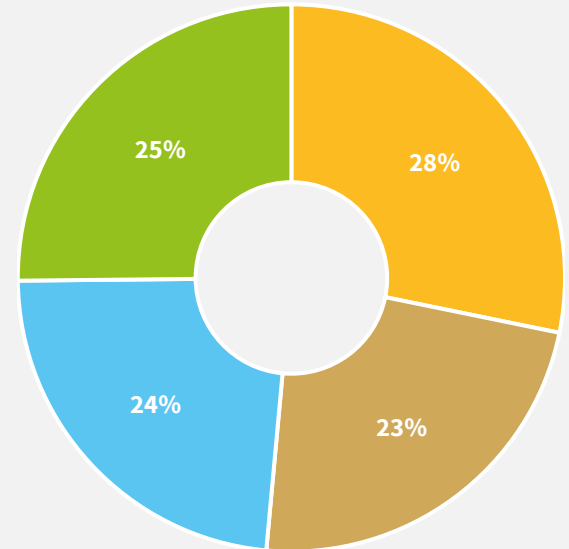
FY 2021

AED 3.1BN
14.8%



FY 2022

AED 4.1BN (2x FY'20)
14.2% (+601bps vs. FY'20)









- Protein & Frozen
- Snacking
- Water & Food
- AgriBusiness

A balanced mix of growing brands

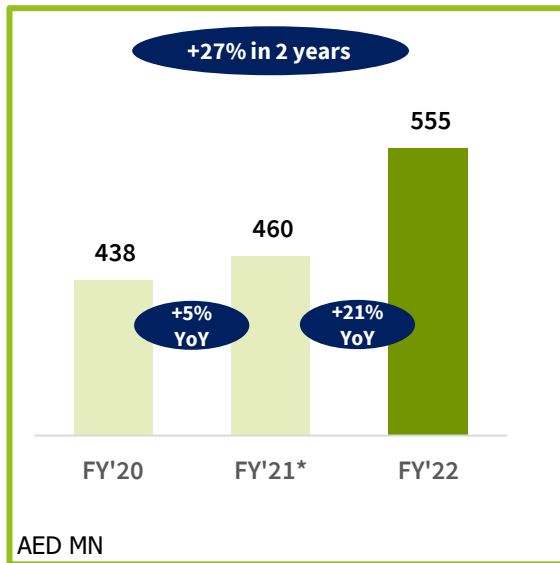


Leading player across key categories and geographies

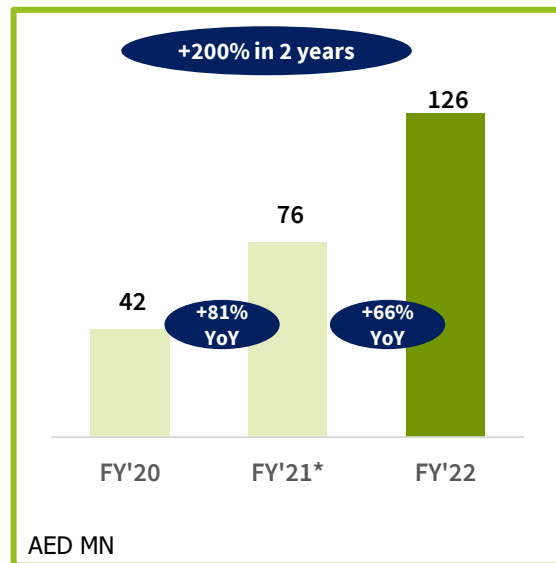
	Category (Geography)	Rank	Market volume share (%)
	Flour B2B (UAE)	1	44%
	Protein (Egypt)	1	40%
	Protein (Jordan)	1	37%
	Animal Feed B2B (UAE)	1	33%
	Bottled Water (UAE)	1	29%
	Flour B2C (UAE)	2	27%

AI Foah: our blueprint to acquire, integrate and create value

Record revenue..



..with stronger net profit..



..on cost efficiencies



AI Foah: our blueprint to acquire, integrate and create value (Cont'd)

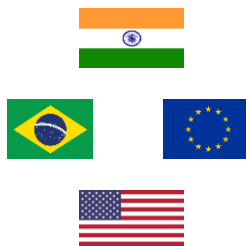
Innovation

- Refreshed Date Crown brand
- Innovations in varieties (KSA), sizes (35g pouch, gifting packs) & promo packs



White space growth

- **Geography:** India, Brazil, Europe & USA
- **Channel:** Retail (B2C)
- Expand **product range** (Madjoul, Deglet Nour)



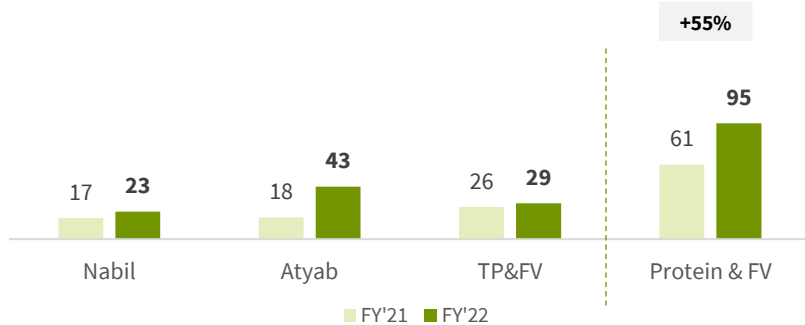
Strategic sourcing

- Shift to **contract farming/harvesting**
- Focus on **yield optimization**
- Sourcing from **new geographies** (Egypt, Tunisia)

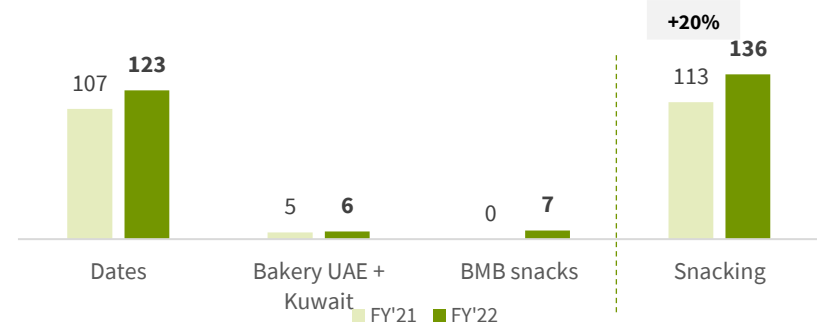


Volume Growth: low elasticity across faster-growing categories

Protein & Frozen ('000 tons)



Snacking ('000 tons)



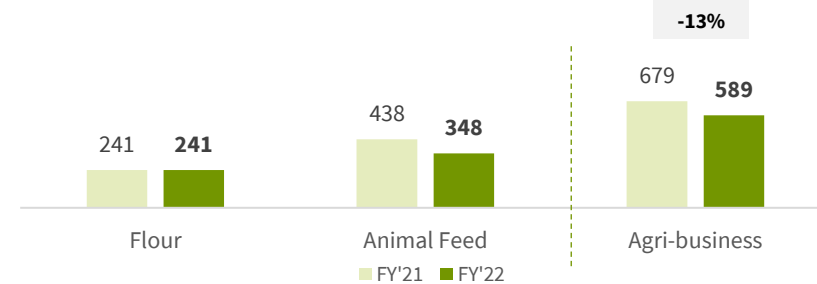
Water & Food

(MN cases, HOD in MN bottles, Dairy in '000 tons, Trade in MN units)



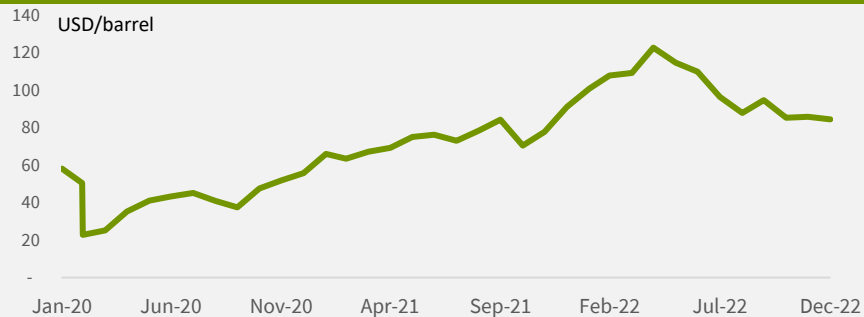
YoY growth

Agri ('000 tons)

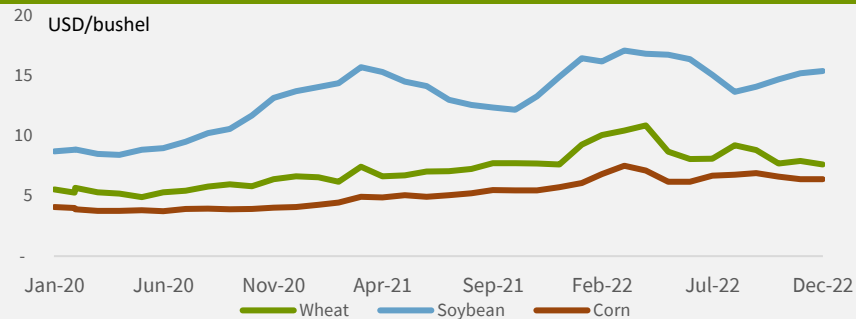


Softening of key input costs albeit remaining above historical averages

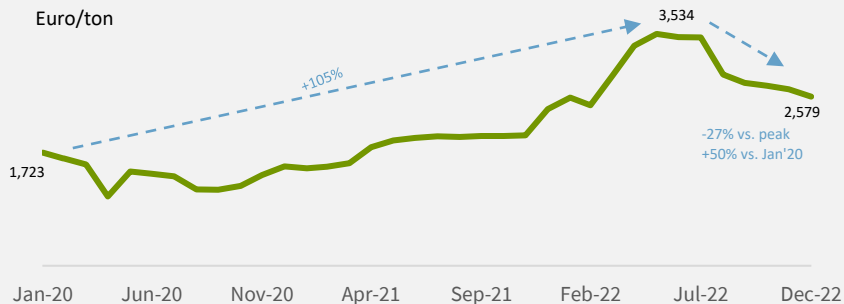
Oil prices closed FY'22 down from Apr'22 peak but +14% vs. Avg. 2021



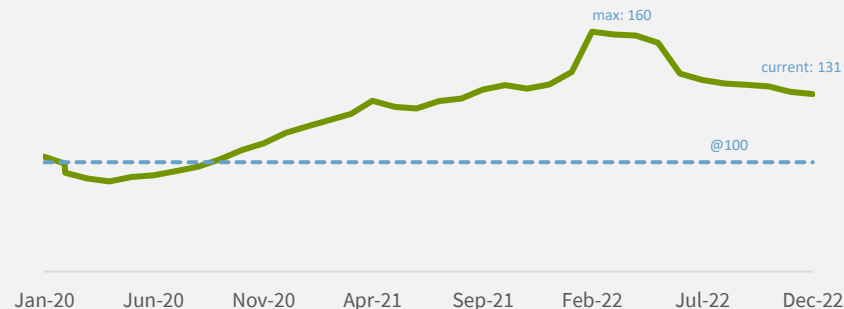
Key commodity prices remain elevated versus history



Global poultry prices down from May peak but +8% YoY



FAO Food Price Index remains above 100



Summary Profit & Loss Statement

AED'000	Q4'22	Q4'21	YoY	FY'22	FY'21	YoY
Revenue	1,118,230	954,110	17%	4,067,394	3,067,614	33%
Cost of sales	-803,895	-621,401	29%	-2,909,812	-2,110,937	38%
Gross profit	314,335	332,709	-5.5%	1,157,582	956,677	21.0%
Selling and distribution expenses	-122,237	-126,286	-3%	-507,956	-449,041	13%
General and administrative expenses	-95,959	-69,081	39%	-345,825	-270,997	28%
Research and development cost	-2,312	-2,737	-16%	-9,298	-9,598	-3%
Other income, net	19,850	-4,211	-571%	52,229	28,185	85%
Operating profit	113,677	130,394	-13%	346,732	255,226	36%
Finance income	8,976	4,651	93%	27,419	16,731	64%
Finance expense	-26,744	-7,298	266%	-75,897	-20,855	264%
Share of profit/ (loss) from investment in JV/associate	564	416	36%	3,071	-2,900	-206%
Profit for the period before income tax and zakat	96,473	128,163	-25%	301,325	248,202	21%
Income tax and zakat expenses	-6,299	-9,800	-36%	-28,742	-16,997	69%
Profit for the period	90,174	118,363	-24%	272,583	231,205	18%
Attributable to:						
Owners of the Company	88,229	112,742	-22%	246,785	216,039	14%
Non-controlling interest	1,945	5,621	-65%	25,798	15,166	70%
Basic and diluted EPS (AED)	0.112	0.147	-24%	0.312	0.286	9%

Summary Balance Sheet Statement

AED'000	FY'22	FY'21
Property, plant and equipment	1,446,027	1,500,436
Intangible assets & Goodwill	2,421,885	2,017,889
Others	104,521	133,695
Total non-current assets	3,972,433	3,652,020
Inventories	847,275	708,241
Trade and other receivables	891,034	815,943
Cash and bank balances	1,042,502	1,123,257
Others	55,560	25,061
Total current assets	2,836,371	2,672,502
Total assets	6,808,804	6,324,522
Bank borrowings	55,551	74,107
Others	1,850,374	1,789,710
Total non-current liabilities	1,905,925	1,863,817
Bank borrowings	675,651	422,224
Trade and other payables	990,121	976,283
Others	151,214	92,801
Total current liabilities	1,816,986	1,491,308
Total liabilities	3,722,911	3,355,125
Total equity	3,085,893	2,969,397
Equity attributable to the owners of the Company	2,813,274	2,759,893
Non-controlling interests	272,619	209,504
Total equity and liabilities	6,808,804	6,324,522

Summary Cash Flow Statement

AED'000	Q4'22	Q4'21	YoY	FY'22	FY'21	YoY
Profit before tax & zakat expenses	96,473	128,163	-25%	301,325	248,202	21%
<i>Adjustments for:</i>						
Depreciation & Amortization	61,943	53,882	15%	231,383	200,133	16%
Provisions & Allowances	11,013	19,005	-42%	29,372	44,503	-34%
Others	17,332	720	2307%	43,068	4,766	804%
<i>Change in:</i>						
Inventories	88,524	-107,622	-182%	-122,760	-117,940	4%
Trade and other receivables	-8,814	-9,144	-4%	-23,342	147,582	-116%
Government compensation receivable	-2,241	24,985	-109%	-30,583	2,168	-1511%
Due from / to a related party	-943	-33	2758%	84	3,171	-97%
Trade and other payables	-303,987	-95,578	218%	-64,199	-16,976	278%
Deferred government grant	-461	7,473	-106%	-7,208	-1,082	566%
Others	-3,288	-5,940	-45%	-41,174	-16,681	147%
Net cash generated from operating activities	-44,449	15,911	-379%	315,966	497,846	-37%
<i>Investing activities:</i>						
Purchase of PPE (CAPEX)	-44,088	-53,505	-18%	-136,601	-134,204	2%
Investment in subsidiaries, net of cash	-327,341	-534,063	-39%	-327,341	-1,252,426	-74%
Others	227,565	-153,664	-248%	148,483	-255,666	-158%
Net cash generated from/(used in) investing activities	-143,864	-741,232	-81%	-315,459	-1,642,296	-81%
<i>Financing activities:</i>						
Dividend paid to shareholders	-65,305	-65,305	0%	-130,610	-184,105	-29%
Bank borrowings, net	395,140	658,998	-40%	253,978	1,459,276	-83%
Others	-42,831	-15,384	178%	-114,679	-53,017	116%
Net cash (used in)/generated from financing activities	287,004	578,309	-50%	8,689	1,222,154	-99%
Increase in cash and cash equivalents	98,691	-147,012	-167%	9,196	77,704	-88%
Effect of foreign exchange	-8,137	-3,418	138%	-15,938	-5,312	200%
Beg. Cash & Equivalents balance	130,567	378,293	-65%	227,863	155,471	47%
End. Cash & Equivalents balance	221,121	227,863	-3%	221,121	227,863	-3%



For The Better • من أجل الأفضل

Thank you



March 2023