

ملتزمون بحياة أكثر صحة
Committed to healthier living

Agthia Group PJSC

Q1 2020

Analyst & Investor Earnings Call

Abu Dhabi, 11 May 2020

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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.



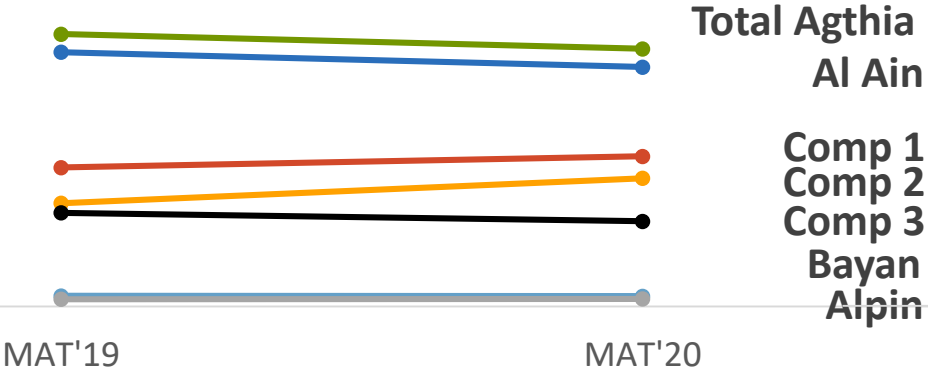
QUARTER HIGHLIGHTS

- **Gulfood 2020 – Agthia’s commitment to Sustainability:**
 - ✓ Launching region’s first plant based water bottle – **Al Ain Plant Bottle**
 - ✓ Initiating PET collection & recycling project with Veolia
- **COVID-19 – Agthia’s Readiness:**
 - ✓ **Collaborating** with government to ensure continuous supply of essential F&B products
 - ✓ Demonstrating **agility** by launching an online application, expanding our e-commerce footprint and initiating online ordering for CSD channel
 - ✓ **Determined** to overcome headwinds via our flexible supply chain
 - ✓ **Responsible** towards preserving safety of our employees and consumers
- **Group Net Revenues** of AED 571mn recorded growth of 12% y-o-y:
 - ✓ **Flour** business (+52% y-o-y), on higher domestic demand, export sales and wheat trading
 - ✓ **Food** segment (+21% y-o-y), driven by Community Support Division and TP&FV
 - ✓ **HOD** revenues (+8% y-o-y), as customer base expands
- **Group Net Profit** of AED 27mn- better agri-profitability & cost savings countering water pricing pressures & bad debt provisioning

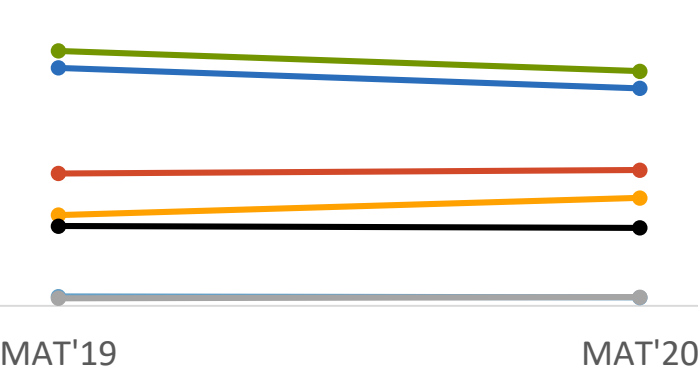


BOTTLED WATER MARKET SHARES¹

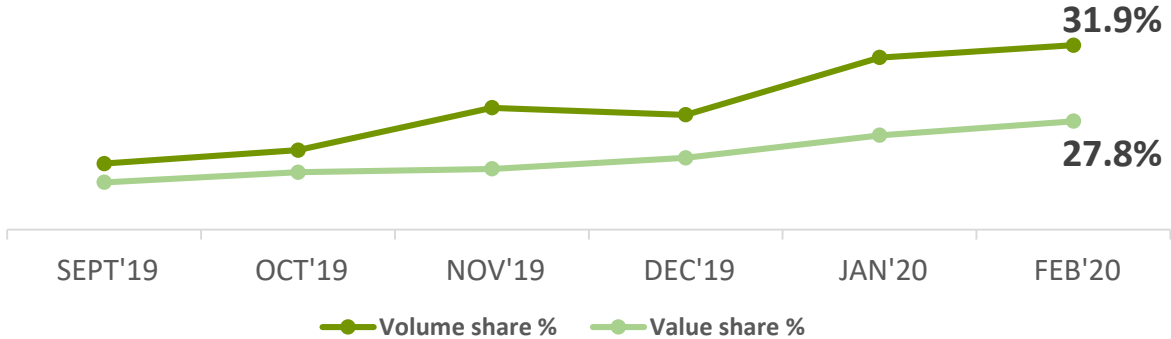
Volume share %



Value share %



- **Defensive market share- total Agthia, 29.0% volume and 26.4% value (MAT'20)**
- **Al Ain Water leadership position sustains at 27.0% volume and 24.5% value (MAT'20)**
- **Agthia’s portfolio systematically grew market share on a monthly basis since October 2019** *(below chart)*



WATER | SOLD VOLUMES

Sold volume	Q1 2020	y/y
<i>HOD* (million bottles)</i>	6.5	+10%
<i>Bottled Water (million cases)</i>		
UAE	13.2	+2.3%
KSA	2.5	-11.2%
Kuwait	2.2	+141.7%
Turkey	0.5	+11.4%
Total International Ops	5.2	+24.1%
Total Bottled Water	18.4	+7.7%

**HOD including Al Bayan, Ice Crystal and 5 Gallon Al Ain*

- Growth in **HOD** sold volume
- **UAE bottled water** increased volume on consumer stockpiling in March
- Lower sales in **KSA** as we target improving credit sales quality
- Outperformance in **Kuwait** on ramp up in execution



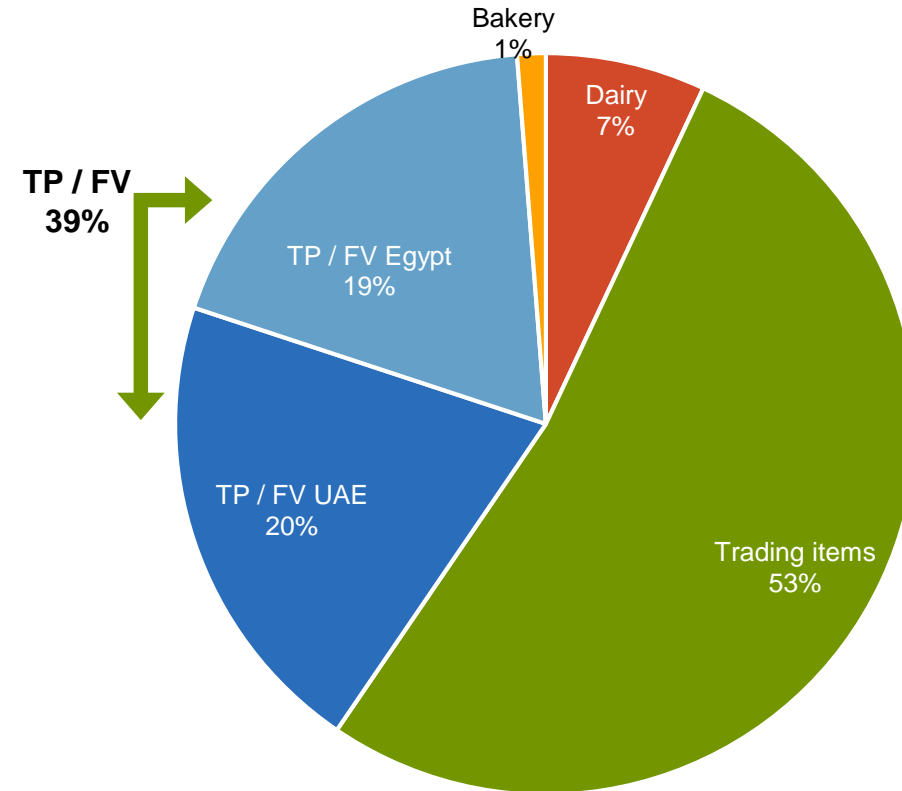
FOOD

Top-line growth drivers: Trading items (CSD) and TP/FV (UAE & Egypt)

AED M	Q1 2020	Q1 2019	y/y
Segment Revenues	82	67	+21%
Segment Profit	4.1	3.5	+18%

- **Trading Items:** 53% of segment
 - Revenues +19% y/y
 - Net Profit +64% y/y
- **TP/FV incl. Egypt ops.:** 39% of segment
 - Revenues +39% y/y
 - Net Profit +7% y/y
 - **Egypt:** Rev. +41% y/y
- **Dairy & Bakery:** 8% of segment
 - Sales impacted by closure of Eateries

Revenue contribution as of Q1 2020



AGRI

Top-line growth and Enhanced profitability

Segment Revenues:

FLOUR
AED 154 million
+52%

- + Strong domestic volumes with expanded retail penetration
- + Expansion in exports (including an order to World Food Program)
- + Wheat trading

FEED
AED 120 million
-4%

- + Favourable mix- tilted towards subsidized channel
- Lower volume due to reduced demand from small-sized farms





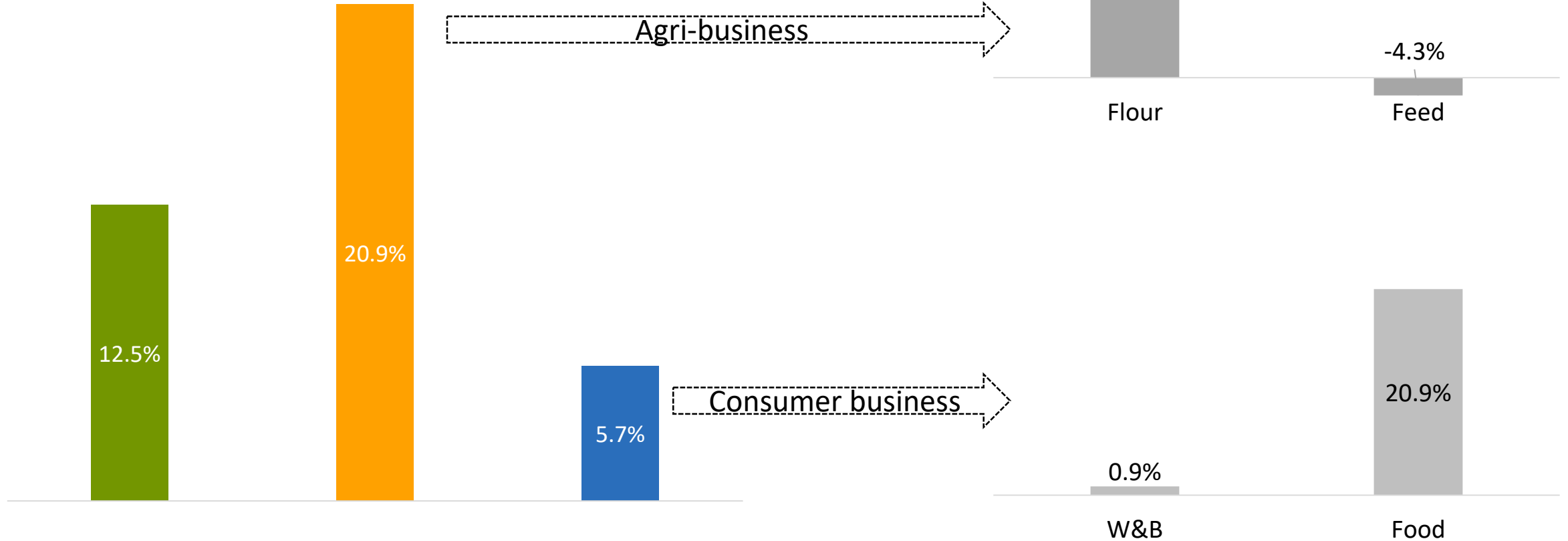
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FINANCIAL PERFORMANCE



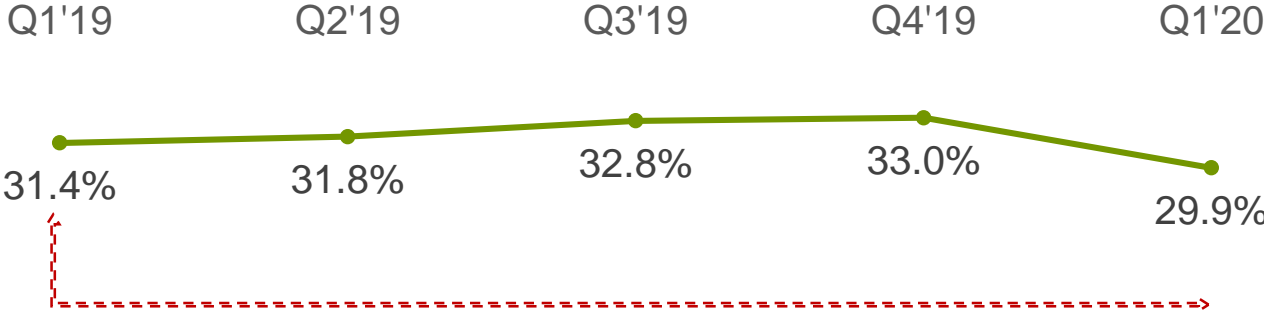
REVENUE Y-O-Y GROWTH

AED 571 M **■** Agthia
AED 273 M **+** Agri
AED 298 M **+** Consumer



GROSS PROFIT MARGIN

Quarterly Gross Profit Margin, %

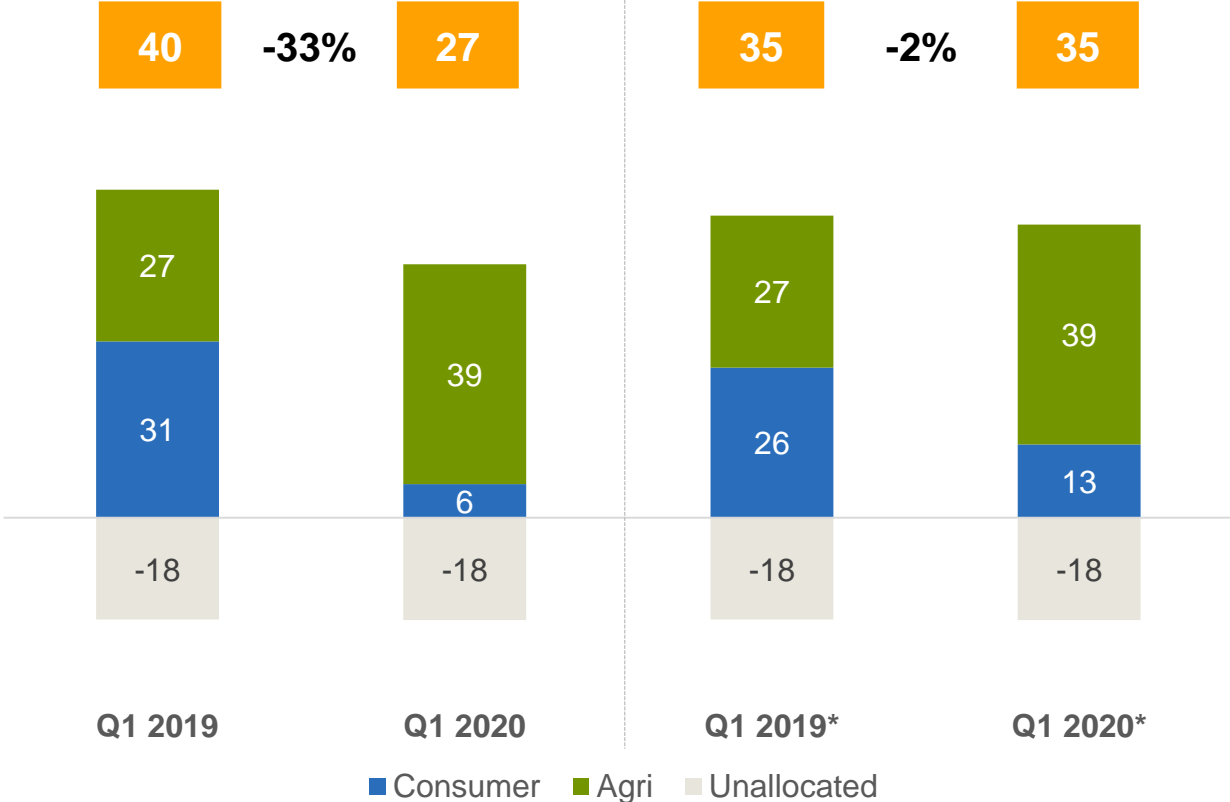


Lower BW pricing (Domestic & Int'l) +
Lower Beverage volume sales (excise tax & pressure on
food service channel)



GROUP NET PROFIT

Group net profits (AED M)

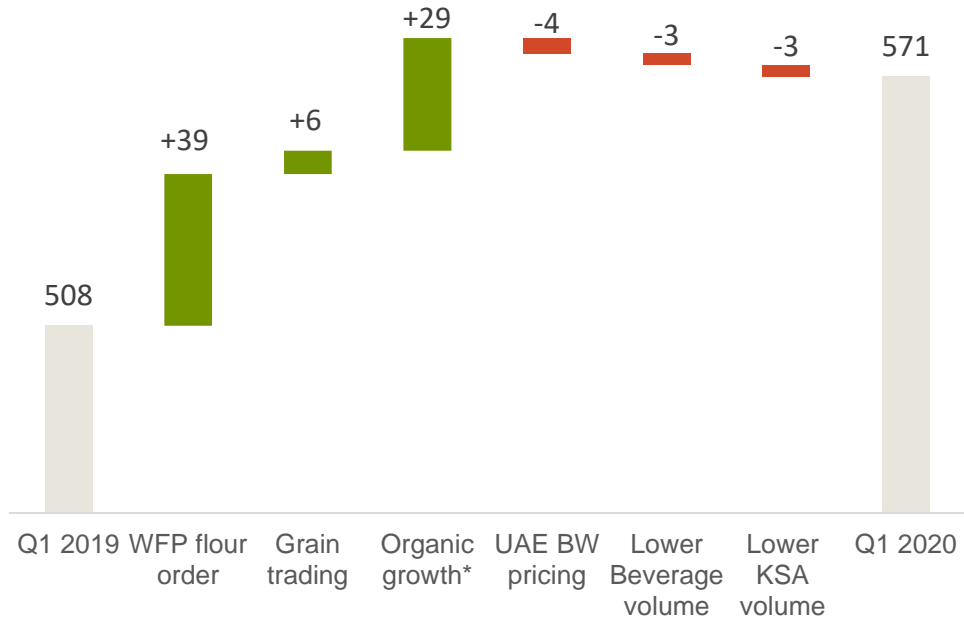


*Excluding one-offs: Q1 2020 excluding Bad debt provision and Q1 2019 excluding Turkey tax credit
Unallocated = Head Office charges

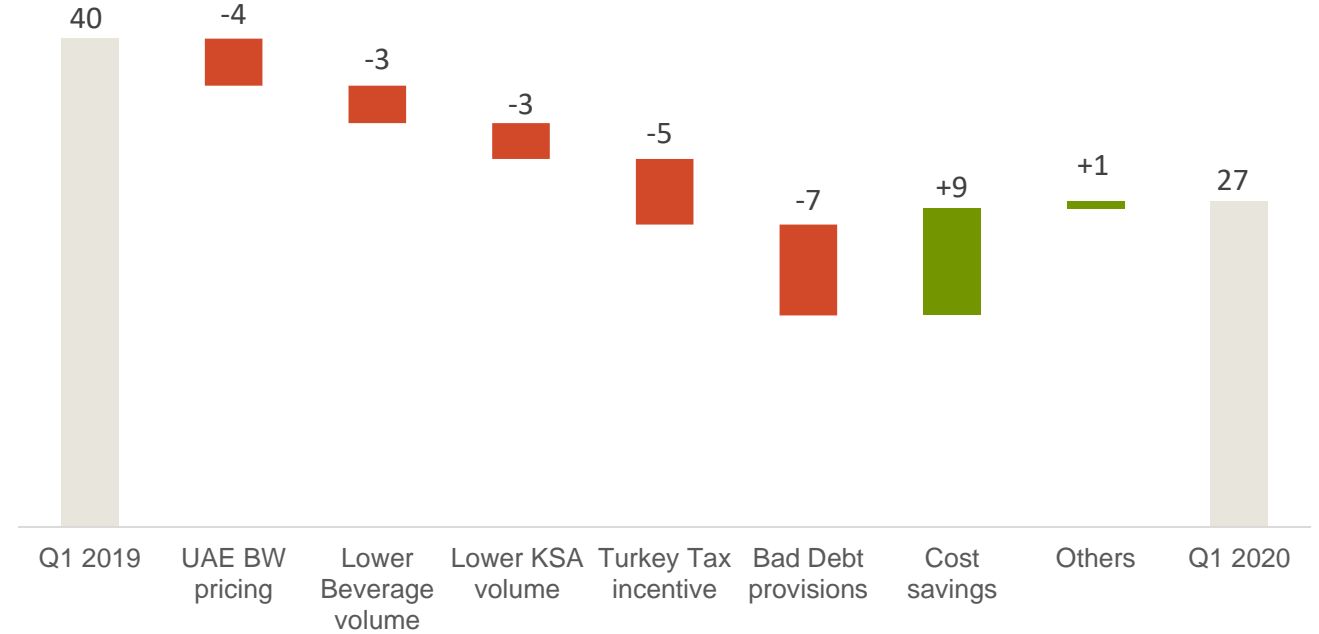


TOP AND BOTTOM LINE RECONCILIATION

Group revenues (AED M)



Group net profits (AED M)





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Q&A

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