



Date: 12/03/2024

Ref.: MHC/Disclosure/2024/26

**Boursa Kuwait Company**

Mubarak Al Kabeer St.  
AlSharq, Kuwait  
P.O.Box 22235 Safat, 13083 Kuwait

**Subject: Disclosure from Mezzan Holding on Investor Conference Call for the results of the Financial Year Ended on 31/12/2023**

Reference to the above subject and pursuant to the provisions Article (4-1-1), Chapter 4 of Module 10 (Disclosure and Transparency) of the Executive Bylaws of Law No. 7 of 2010 concerning establishment of the Capital Markets Authority.

Kindly note that Mezzan has held its Investors' Conference Call today at 02:00 pm.

Attached is the PowerPoint presentation shared with the Analysts and Investors at the Conference Call for the results of the Financial Year Ended on 31/12/2023, noting that there was no material information disclosed on the Call.

Mezzan Holding Company KSCP

Head of Legal

Walid Ali Khalil



Disclosure of Material Information Form

Date	12/03/2024
Name of the Listed Company	Mezzan Holding Company KSCP
Material Information	Kindly note that Mezzan has held its Investors' Conference Call today at 02:00 pm. Attached is the PowerPoint presentation shared with the Analysts and Investors at the Conference Call for the results of the Financial Year Ended on 31/12/2023, noting that there was no material information disclosed on the Call.
Significant Effect of the material information on the financial position of the company	-

Mezzan Holding Company KSCP

Head of Legal

Walid Ali Khalil



# FY 2023 Earnings Presentation

*March 12, 2024*



شركة ميزان القابضة  
MEZZAN HOLDING CO.



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# Agenda

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- Tailwinds & Headwinds
- Q4 & FY23 Highlights
- Q4 & FY23 Financial Review
- Q&A



## Mezzan Today: Tailwinds

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- Margin improvement through effective product/channel mix, and localization of manufacturing footprint.
- Benefits from the non-recurrence of the one-off adjustment that adversely hit the performance of 2022.
- Good growth momentum in our Pharma and Healthcare business, partially supported by resuming supply to KSA.
- Acceleration of our business in UAE and Jordan.
- Effective CAPEX management.
- Seeking to expand collaboration with relevant local brands, where our scale and expertise can be leveraged.



## Mezzan Today: Headwinds

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- Additional burden yielded from the peak in interest rates.
- Evolving tax environment in the GCC.
- The “Red Sea crisis” had no material impact so far, thus leading us to maintain critical inventory at high level to avoid business disturbance.





# Mezzan Today: Earnings Highlights

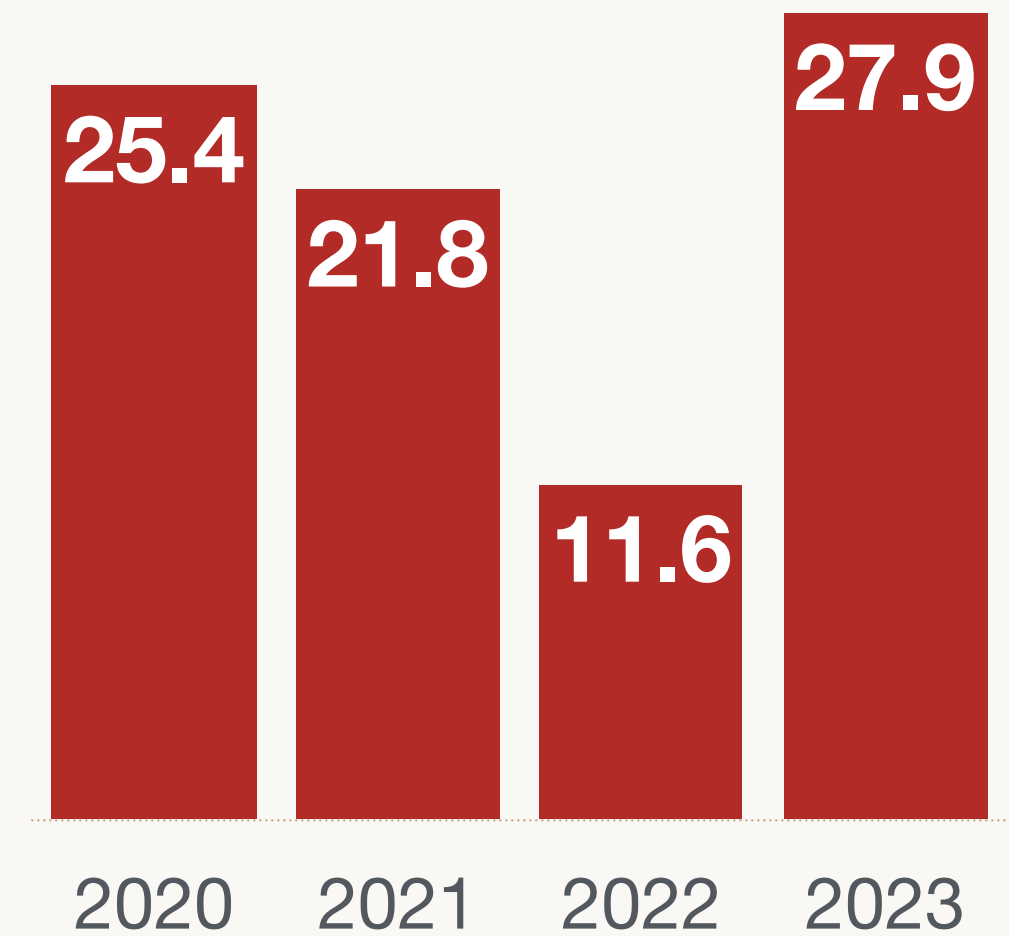
KD Millions

	<b>Q4'23</b>	<b>Q4'22</b>	<i>% Diff</i>	<b>FY'23</b>	<b>FY'22</b>	<i>% Diff</i>
<b>Revenue</b>	<b>65.6</b>	60.6	<b>+8.2%</b>	<b>271.2</b>	255.2	<b>+6.3%</b>
<b>EBITDA</b>	<b>8.1</b>	8.5	<b>-4.9%</b>	<b>27.9</b>	11.6	<b>+141.1%</b>
<b>Net Income</b>	<b>3.7</b>	4.6	<b>-18.6%</b>	<b>12.7</b>	-1.7	
<b>Net Profit</b>	<b>3.4</b>	4.6	<b>-26.3%</b>	<b>11.5</b>	-2.0	

*Attributable to Equity Holders of Parent Company*

## FY EBITDA (2020-2023)

KD Millions



A 141.1% increase over FY2022, resulting from Gross Profit expansion driven by new product launches.

Note: All figures are rounded. Manual calculations for the variances and percentage difference may not align with the presented figures.





# Mezzan Today: Board Recommendation

KD Millions

**The Board of Directors  
has recommended the  
distribution of 20 fils per  
share for FY2023\***

\*Subject to shareholder approval at Annual  
General Meeting of Shareholders.

**CASH DIVIDEND  
PAYOUT RATIO OF 55%**

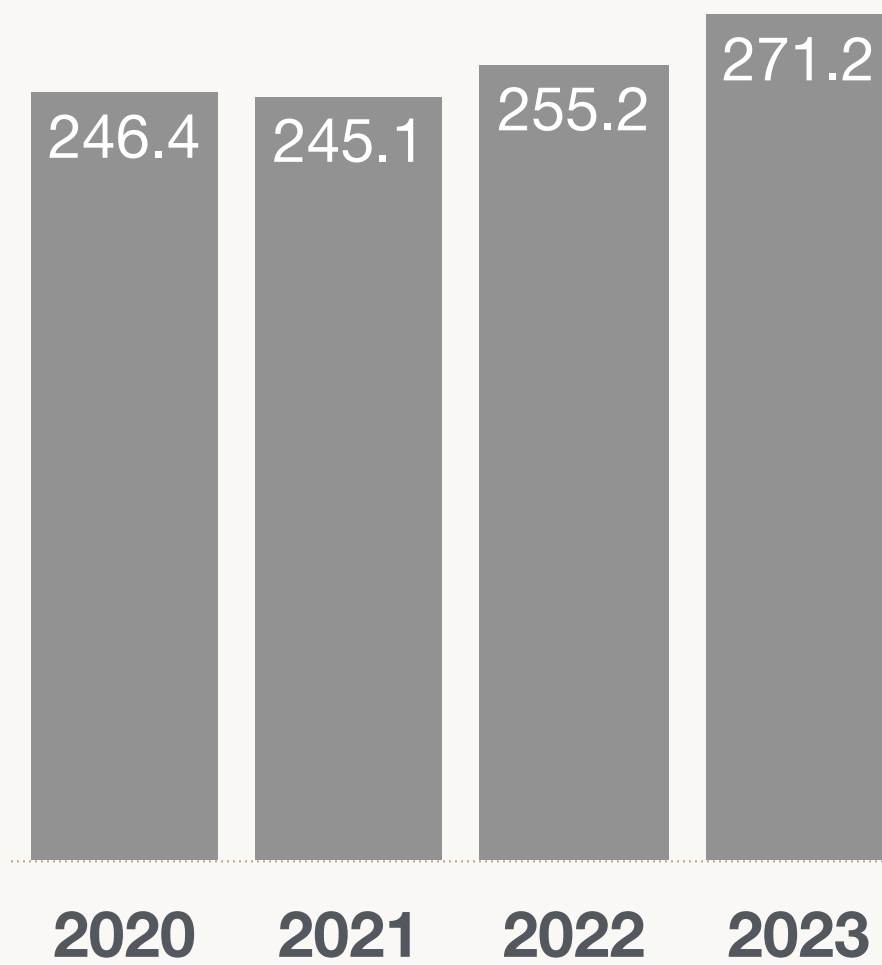
**Total Cash Dividend  
Payout of KD 6.2 mn.**



# Mezzan Today: FY Comparative Performance

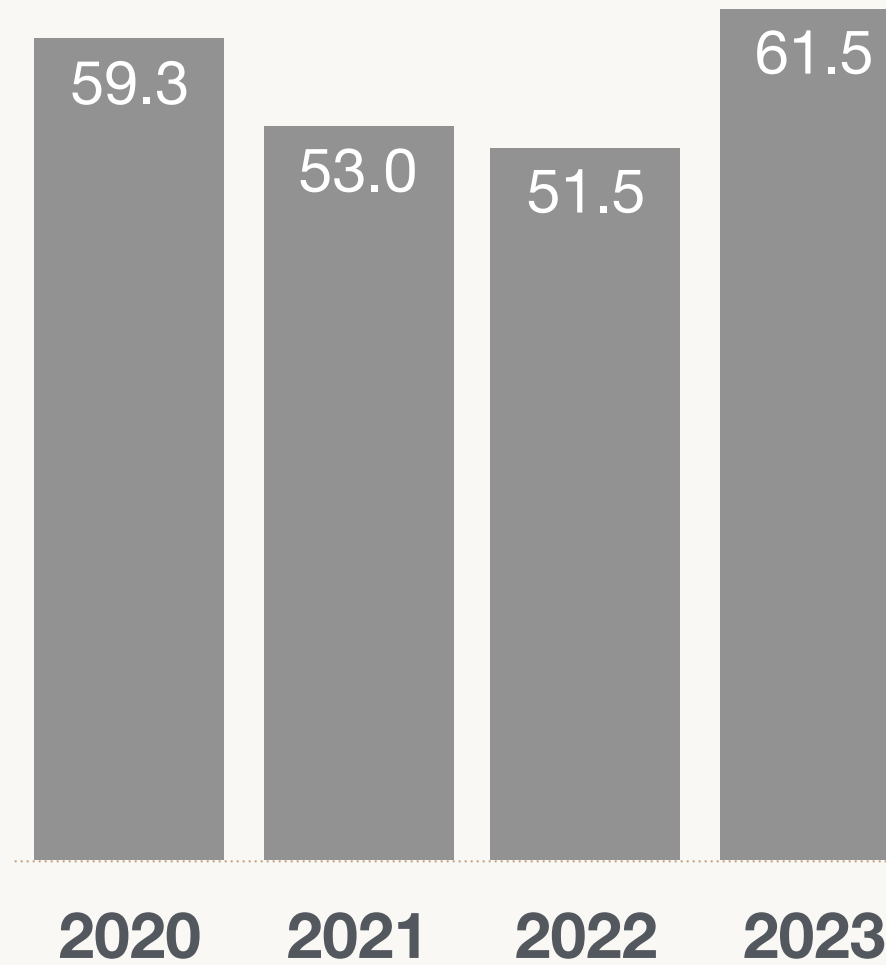
KD Millions

## FY Revenue



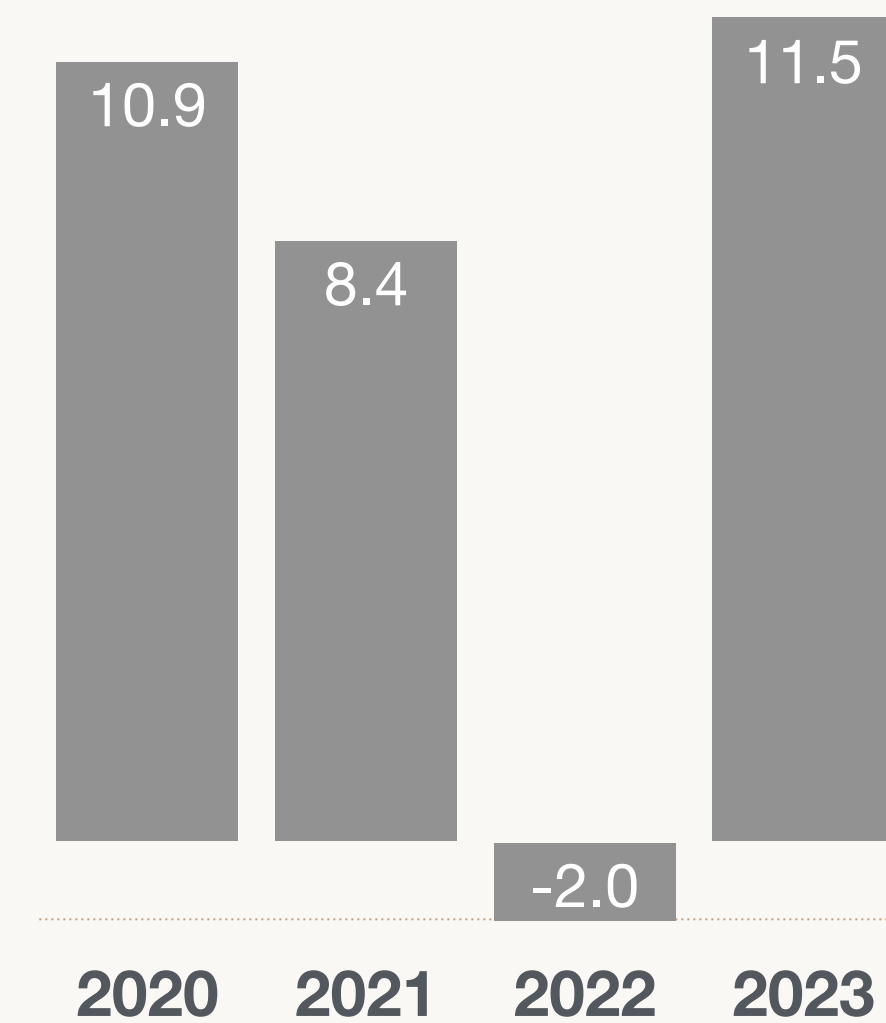
Significant increase in revenue streams.

## FY Gross Profit



Margins improved, achieving an increase of 267 bps over last year, to reach 22.7%.

## FY Net Profit



Net Profit attributable to the parent company made a significant recovery from the previous year, exceeded the results of of FY2020 and FY2021.



# Financial Review



# FY2023 Revenue: Contribution by Business Line

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**FOOD REVENUE +1.8%**

Vs.FY'22



65.7%

Share of of total Group Revenue

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**NON-FOOD REVENUE +16%**

Vs.FY'22



34.3%

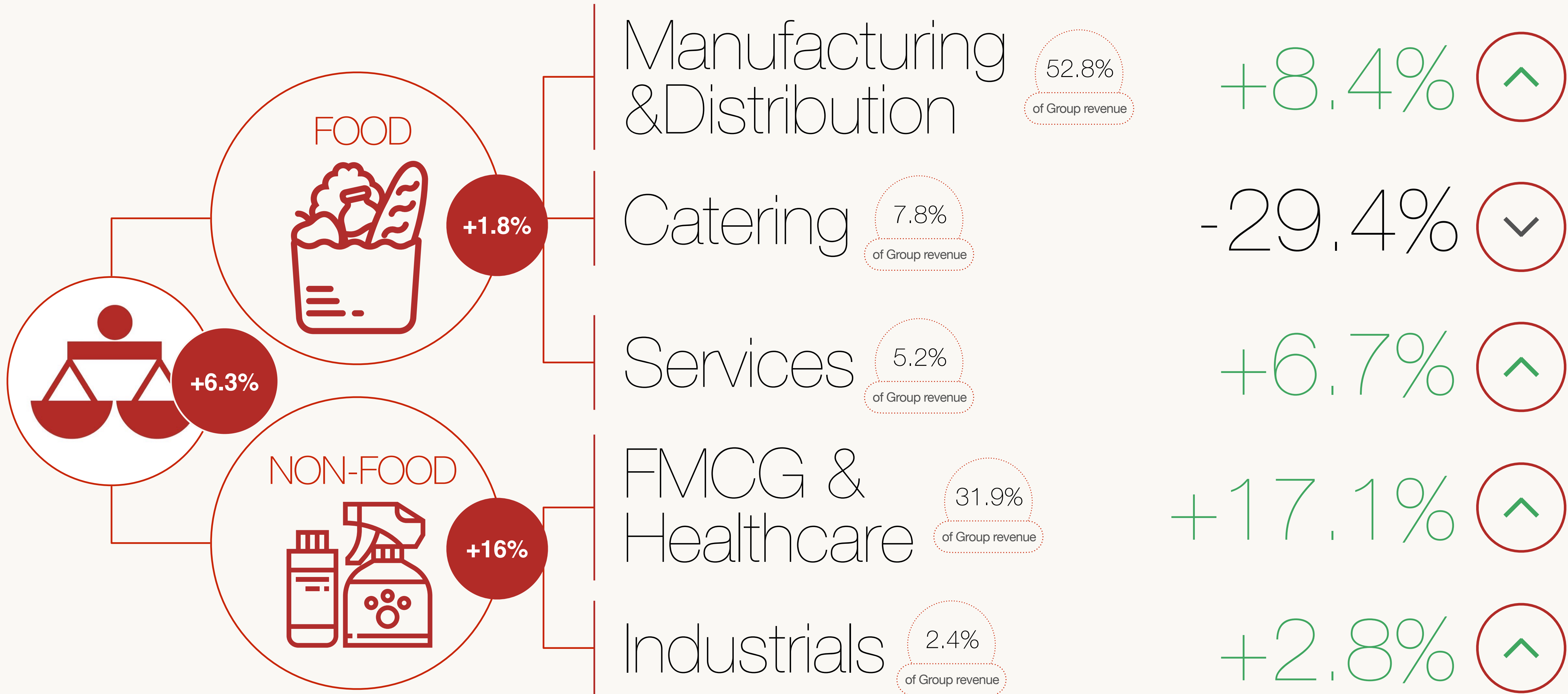
Share of of total Group Revenue

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# FY2023 Revenue: Growth by Business Division

Vs. FY'22

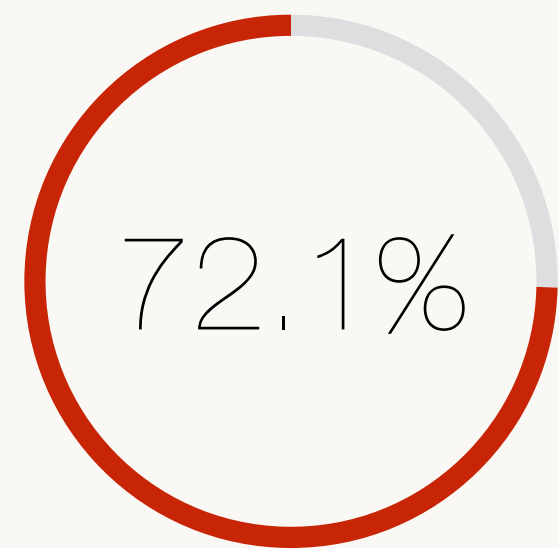




# FY2023 Revenue: Contribution and Growth by Country

○ Top-line Contribution  
Vs.FY'22

**Kuwait**



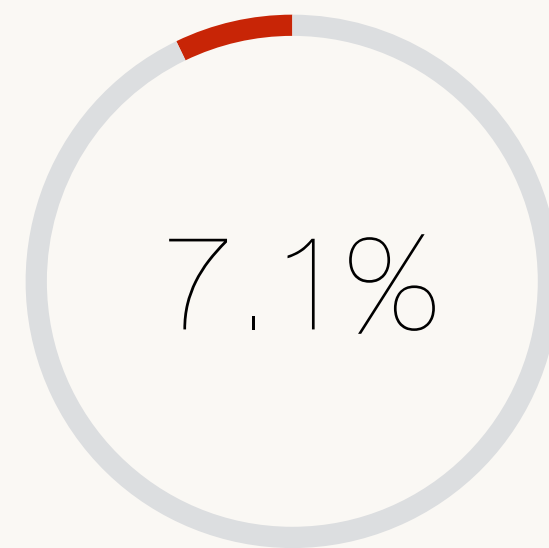
+9.8%

**UAE**



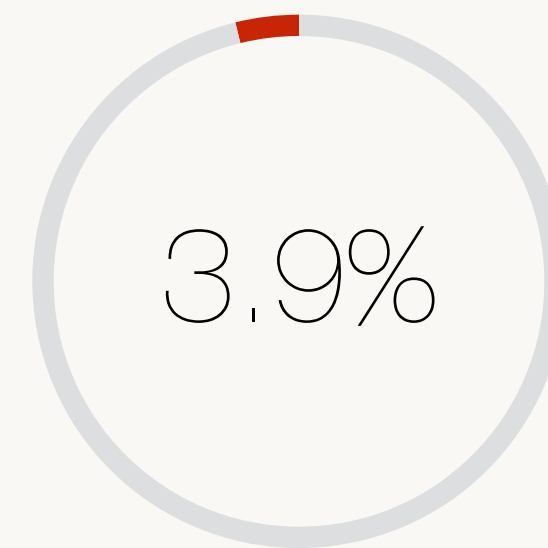
+1.0%

**Qatar**



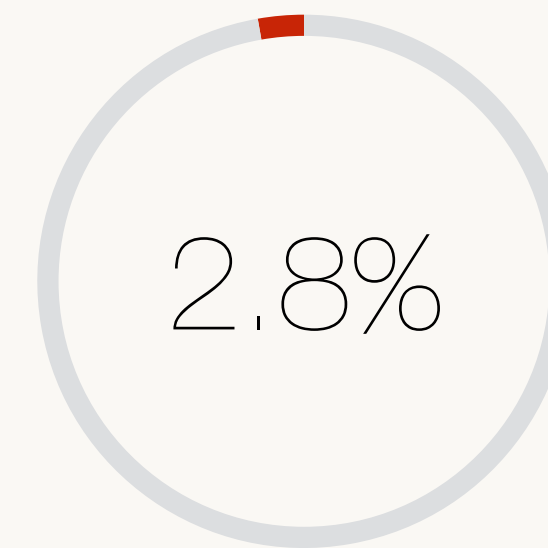
-16.2%

**Jordan**



+16.6%

**KSA**



+2.1%

**Iraq**



+6.9%



# FY2023 P&L

KD Millions

	<b>Q4'23</b>	<b>Q4'22</b>	<b>% Diff</b>	<b>FY'23</b>	<b>FY'22</b>	<b>% Diff</b>
<b>Revenue</b>	<b>65.6</b>	60.6	8.2%	<b>271.2</b>	255.2	6.3%
<b>Gross Margin</b>	<b>17.5</b>	14.0	24.9%	<b>61.5</b>	51.1	20.4%
	<i>GM %</i>	26.7%		22.7%	20.0%	
<b>SG&amp;A / Other</b>	<b>-12.0</b>	-8.7	38.4%	<b>-42.6</b>	-49.6	-14.1%
<b>Operating Profit</b>	<b>5.5</b>	5.4	3.2%	<b>18.9</b>	1.5	1137.1%
<b>Other</b>	<b>-1.7</b>	-0.7	130.5%	<b>-5.8</b>	-3.1	87.2%
<b>Underlying Profit Before Tax</b>	<b>3.9</b>	4.6		<b>13.2</b>	-1.6	
<b>Tax</b>	<b>-0.1</b>	-0.1		<b>-0.4</b>	0.1	
<b>Underlying Net Profit</b>	<b>3.7</b>	4.6	-18.6%	<b>12.7</b>	-1.7	
	<i>UNP %</i>	5.7%		4.7%	-0.7%	
<b>Net Profit Attributable to Shareholders</b>	<b>3.4</b>	4.6	-26.3%	<b>11.5</b>	-2.0	

Note: All figures are rounded. Manual calculations for the variances and percentage difference may not align with the presented figures.



# FY2023 Cashflow

KD Millions

	<b>2023</b>	<b>2022</b>	<b>Diff</b>
<b>Operating Cashflow Before WC Changes</b>	<b>29.49</b>	21.04	8.45
<b>Working Capital / Other</b>	<b>-6.38</b>	-9.63	3.25
<b>Operating Cashflow</b>	<b>23.11</b>	11.41	11.70
<b>Capital / Other</b>	<b>-6.38</b>	-10.30	3.91
<b>Cash Flow Before Financing</b>	<b>16.73</b>	1.11	15.61
<b>Dividends &amp; Purchase of Treasury Shares</b>	<b>-4.13</b>	-6.88	2.75
<b>Financing Costs / Other</b>	<b>-7.31</b>	-5.27	-2.04
<b>Cash Flow After Financing</b>	<b>5.29</b>	-11.03	16.33
<b>FX Translation</b>	<b>-0.49</b>	0.22	-0.71
<b>YTD Change in Net Debt</b>	<b>4.81</b>	-10.81	15.62



Cash on hand as of December 2023 increased by KWD 11.3 mn mainly driven by:

- High operating cashflow, due to lower changes in working capital.
- Higher proceeds from loans and borrowings, with less re-payments of previous loans.
- Lower dividends payments and reduced capital investments.



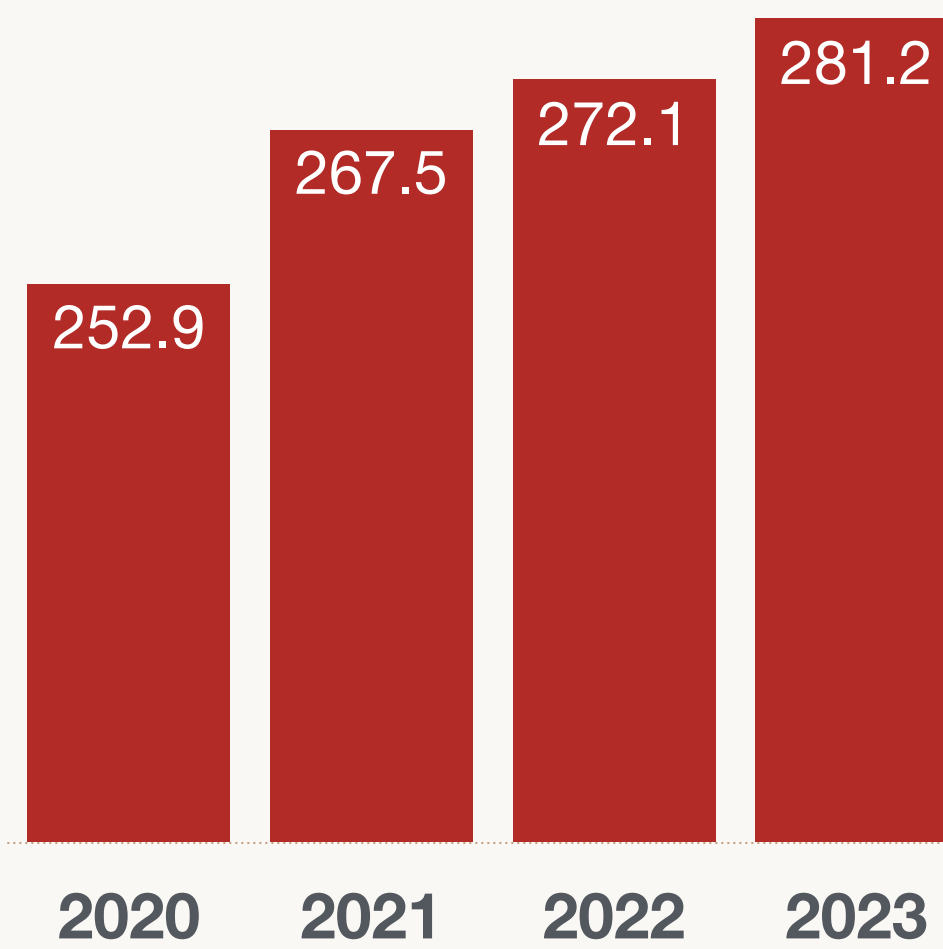


# Balance Sheet as of Dec 31, 2023

KD Millions

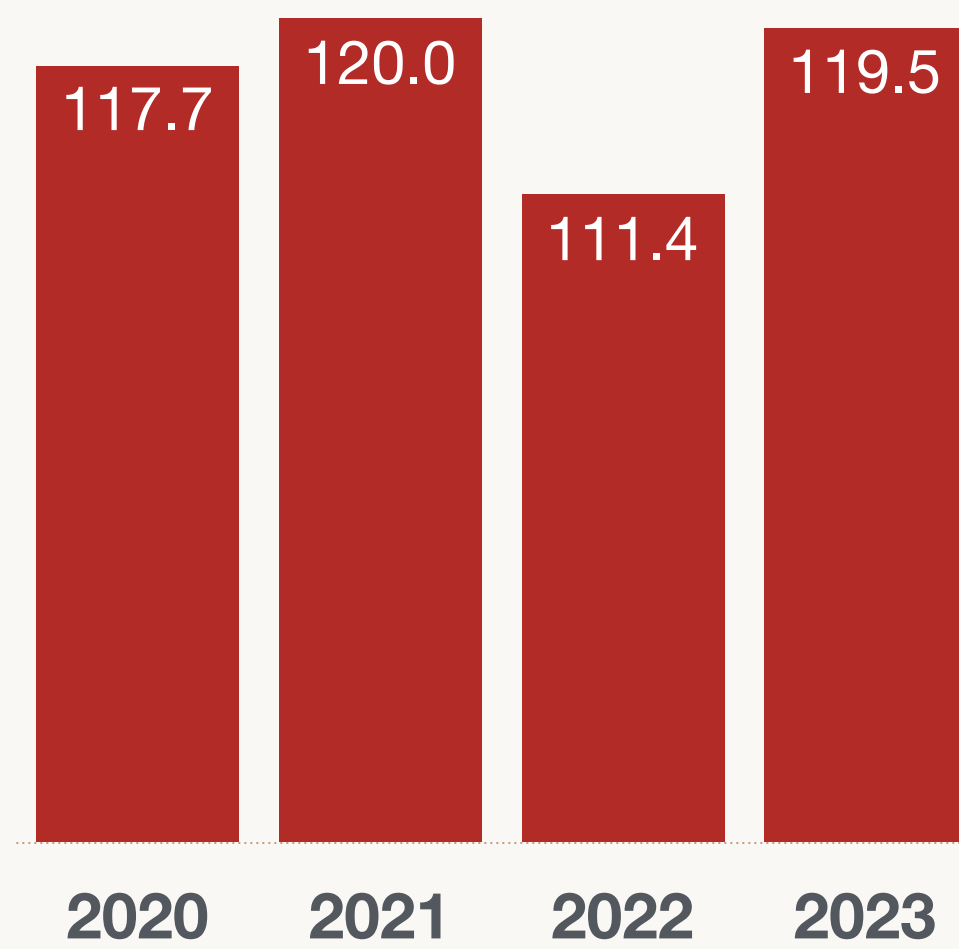
## Total Assets

KD Millions



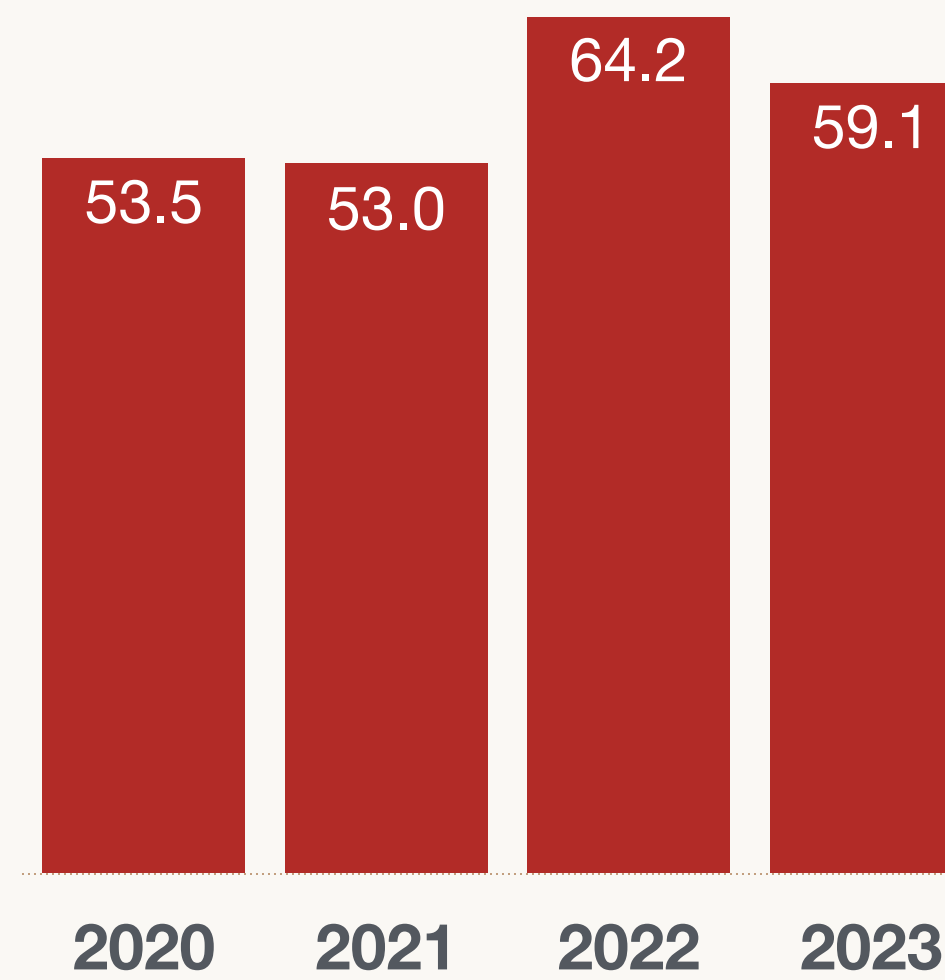
## Equity

KD Millions



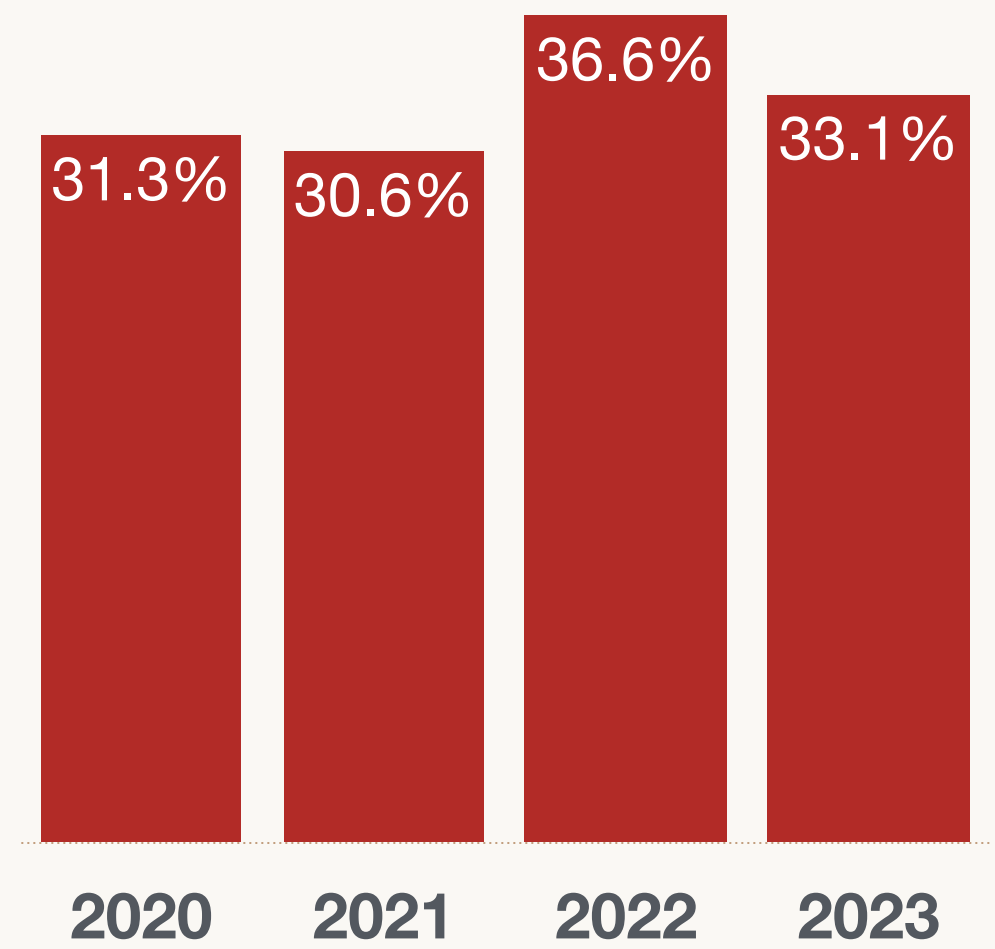
## Net Debt

KD Millions



## Net Debt to Capitalization

%





# A note on debt levels (as of 31 December 2023)

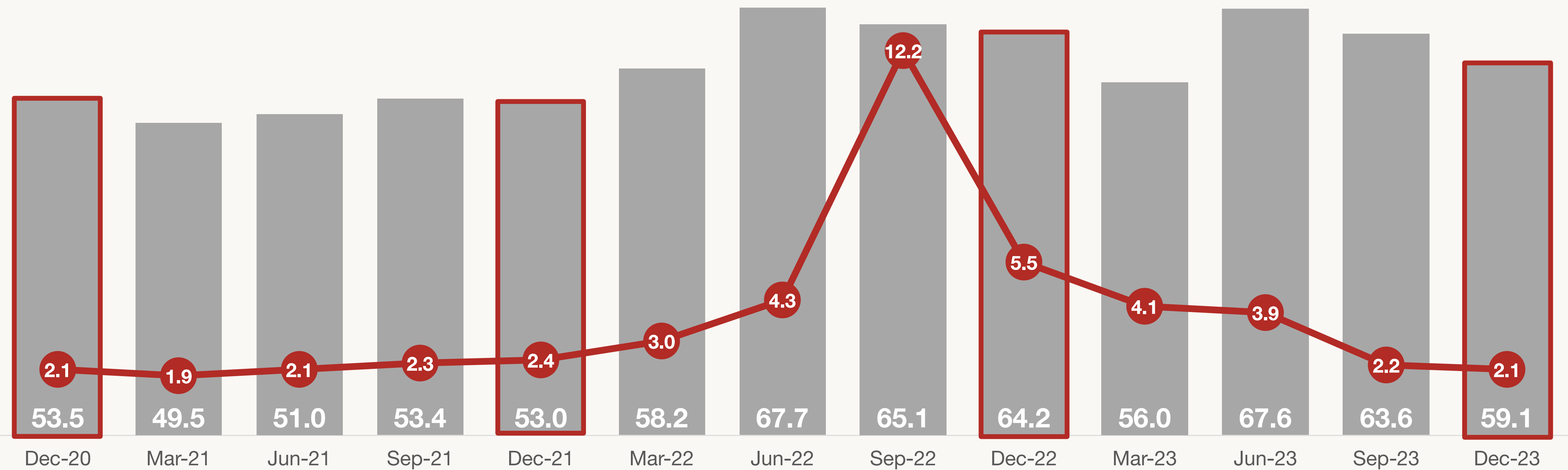
KD Millions



## Net Debt stood at KWD 59.1mn

Down by KWD 5.11mn from December 2022 levels.

FY Net Debt / EBITDA  $\approx$  2.1x down by 3.4x vs FY 2022



■ Net debt    ● Net Debt/EBITDA (LTM)



Q & A



## Investor Relations Contact

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