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Investor Presentation

FY'23 results



11 March 2024

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.

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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

3

Segmental
performance

4

Dividends

5

Guidance

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 MENA+ & 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

Delivering Growth

- **Reported revenue growth** +12.1% YoY; 8.1% from volume¹ & 4.1% from pricing
- **LFL revenue growth** +5.7% YoY
- Revenue growth +20.7% YoY and LFL +13.8% YoY **excluding EGP devaluation** impact
- Double digit growth from Snacking (+38.0% YoY), Agri (+19.9% YoY), and Protein excluding FX impact (+19.3% YoY) and mid single-digit growth in Water & Food (+6.0% YoY)
- **Exceeded 2023 full-year guidance targets**

Driving Efficiency

- Focus on **productivity enhancement**:
 - >AED 215 MN since Jan'21 (AED 97 MN in FY'23)
- **EBITDA margin expansion +113bps**:
 - Strong growth in Snacking (+329bps) and Water & Food (+229bps) profitability
- **Leveraging our Egyptian platform**:
 - Strengthening our export-focused resources; +22% YoY growth in export revenue from Egypt

Expanding Capabilities

- **Investing in innovation**:
 - **Snacking** - launched new brands into the UK and European Retail channels; new formats and adjacent category products into the UAE, KSA, Qatar, and US;
 - **Water** - launched first locally-produced 100% rPET water bottle
- **Accelerating our digital roadmap**: recent MoU with Microsoft UAE with aim to become regional digital leader in consumer-packaged goods industry
- **Progress across ESG agenda**: wide-ranging initiatives and robust approach to governance; reduced water usage ratio by 3.7%

¹ Volume growth including Abu Auf inorganic growth



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Key Financials



FY'23: Ahead of all external guidance

Revenue growth

EBITDA margin

Underlying¹ Group net profit margin

2023

+12.1% 

+113 bps 

+80 bps 

2023
Guidance

+10% to 12%

+40 to 60 bps

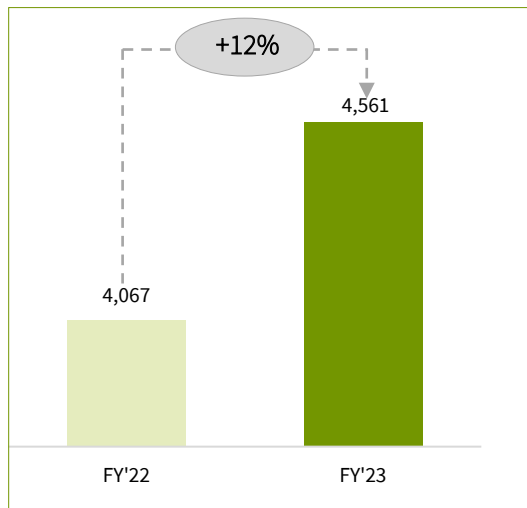
+30 to 50 bps

¹ Based on underlying net profit (including minority interests), net of AED 42.6 million one-off technical adjustment for a deferred tax liability on historical goodwill and intangible assets to comply with IFRS interpretation (IAS 12) due to the enactment of the new UAE corporate tax law. This had no impact on underlying business performance.

FY'23 headlines: Strong and profitable growth led by Snacking, Agri-Business, and Water & Food

Strong revenue growth...

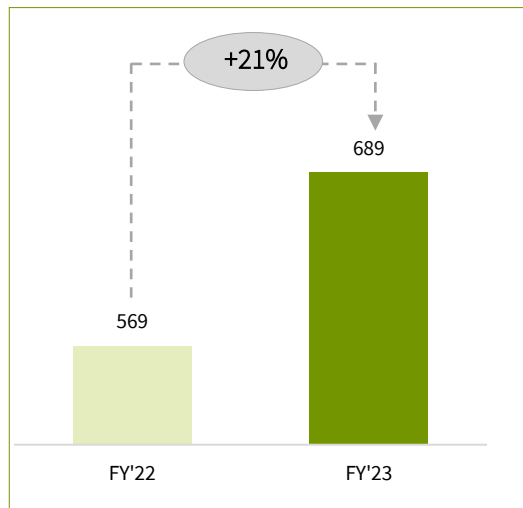
AED MN



+5.7% LFL growth

... outpaced by EBITDA

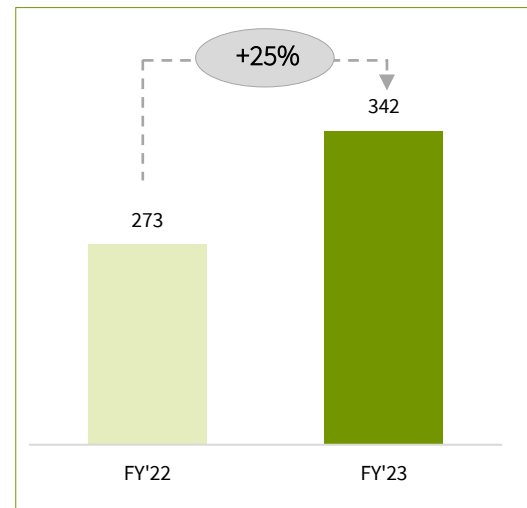
AED MN



EBITDA margin 15.1%
+113bps

Healthy net profit¹ growth

AED MN



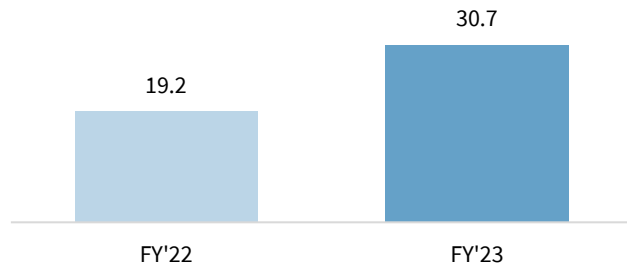
Net profit margin 7.5%
+80 bps post incremental interest of AED 39MN

¹ Based on underlying net profit (including minority interests), net of AED 42.6 million one-off technical adjustment for a deferred tax liability on historical goodwill and intangible assets to comply with IFRS interpretation (IAS 12) due to the enactment of the new UAE corporate tax law. This had no impact on underlying business performance.

...amidst a challenging backdrop

60% EGP devaluation

Average EGP vs USD FX Rate

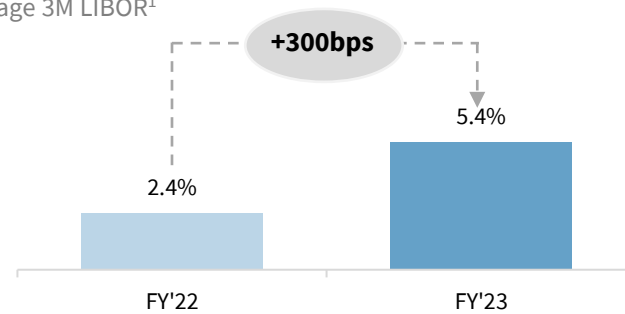


Devaluation impact vs. last year

- Revenue AED 346 MN
- EBITDA AED 53 MN
- Group net income AED 30 MN

Rising interest rate

Average 3M LIBOR¹

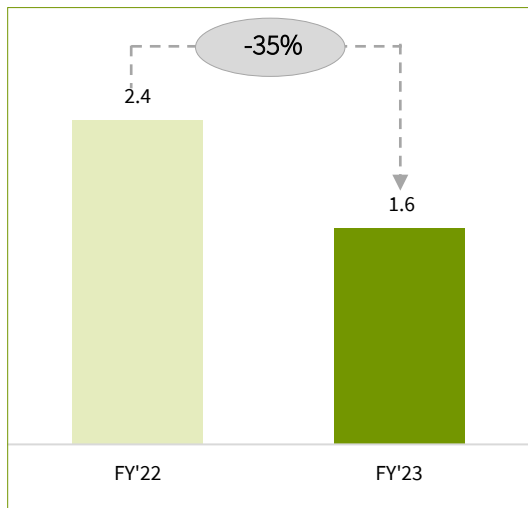


¹ Gross borrowing rates calculated by average of 6 months for 3 months LIBOR / SOFR rate

Continued strengthening of balance sheet

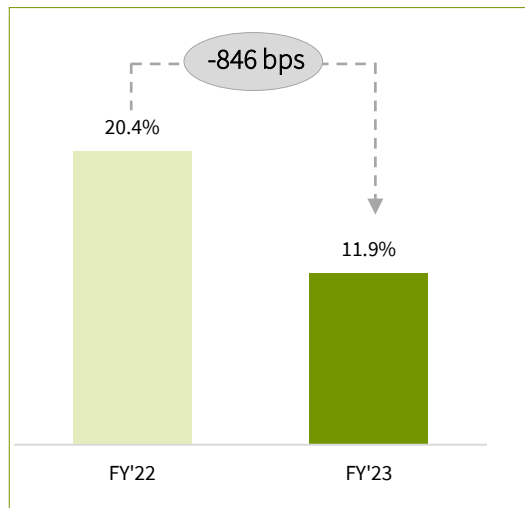
Gross debt, eop

AED



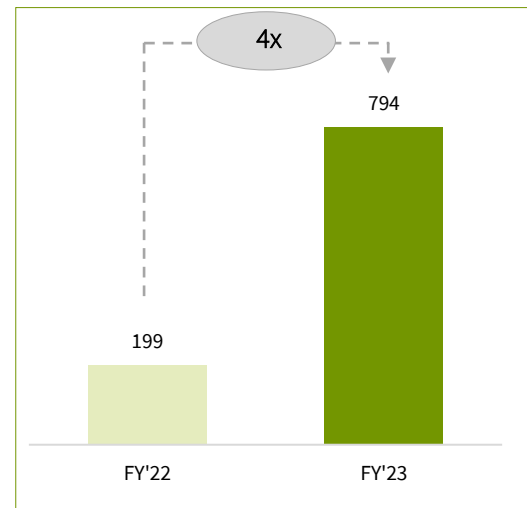
Optimization of WC¹ allows for...

WC as % of Sales



...significantly increase in FCFF

AED MN



* WC is calculated based on the closing numbers for the period divided by annualized sales. Working capital is calculated basis new formula.

Strong balance sheet to fuel future growth and boost shareholder value

Net debt / EBITDA¹

1.3x

FY Dec'22 - 2.3x

Interest coverage²

7.6x

FY Dec'22 - 7.2x

High borrowing capacity

1.8bn

FY Dec'22 - 1.0bn

Avg Dividend yield³

4.0%

FY'23 DPS = AED 0.185

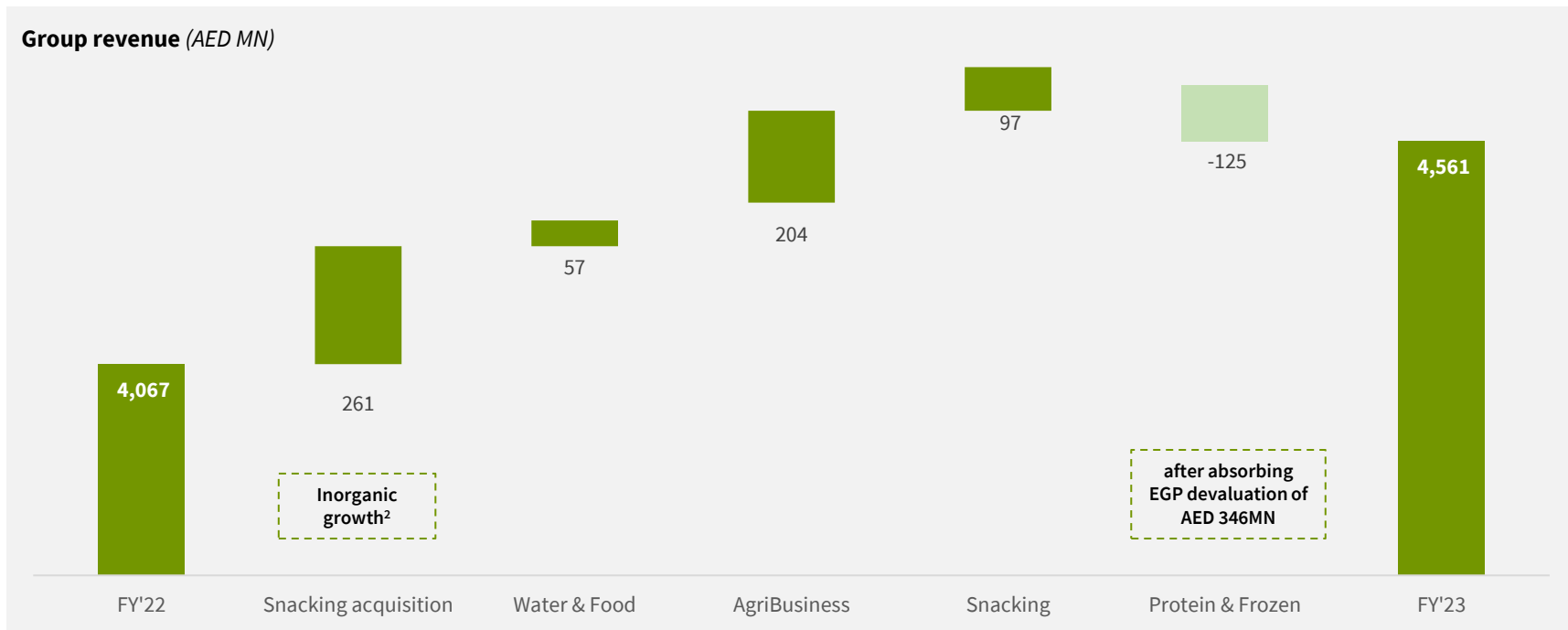
¹ Net debt as on 31st Dec 2023 divided by FY 2023 EBITDA

² EBITDA for FY 2023 divided by net interest for the year 2023

³ Dividend % in FY 2023 is 23.1% @70% 2023 reported NP (PY: 16.5%)

Strong topline growth driven by Snacking, Agri, Water & Food

FY'23 revenue growth +12.1% YoY, with 8.1% from volume¹ and 4.1% from pricing; +20.7% pre devaluation

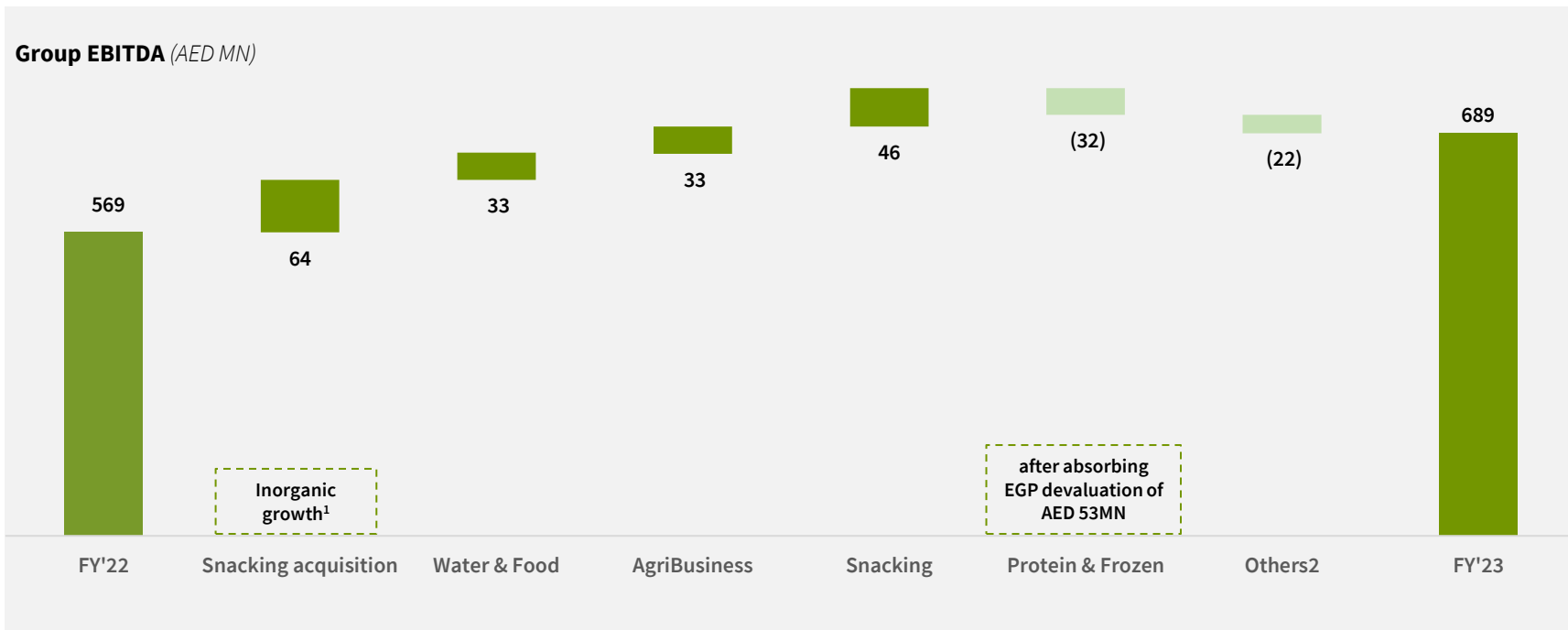


¹Includes Abu Auf

²Snacking acquisitions (inorganic growth) includes Abu Auf (Jan'23-mid-Nov'23)

EBITDA growth ahead of revenue driven by Snacking, Water & Food, Agri

FY'23 EBITDA growth +21.2% YoY, +30.5% pre devaluation

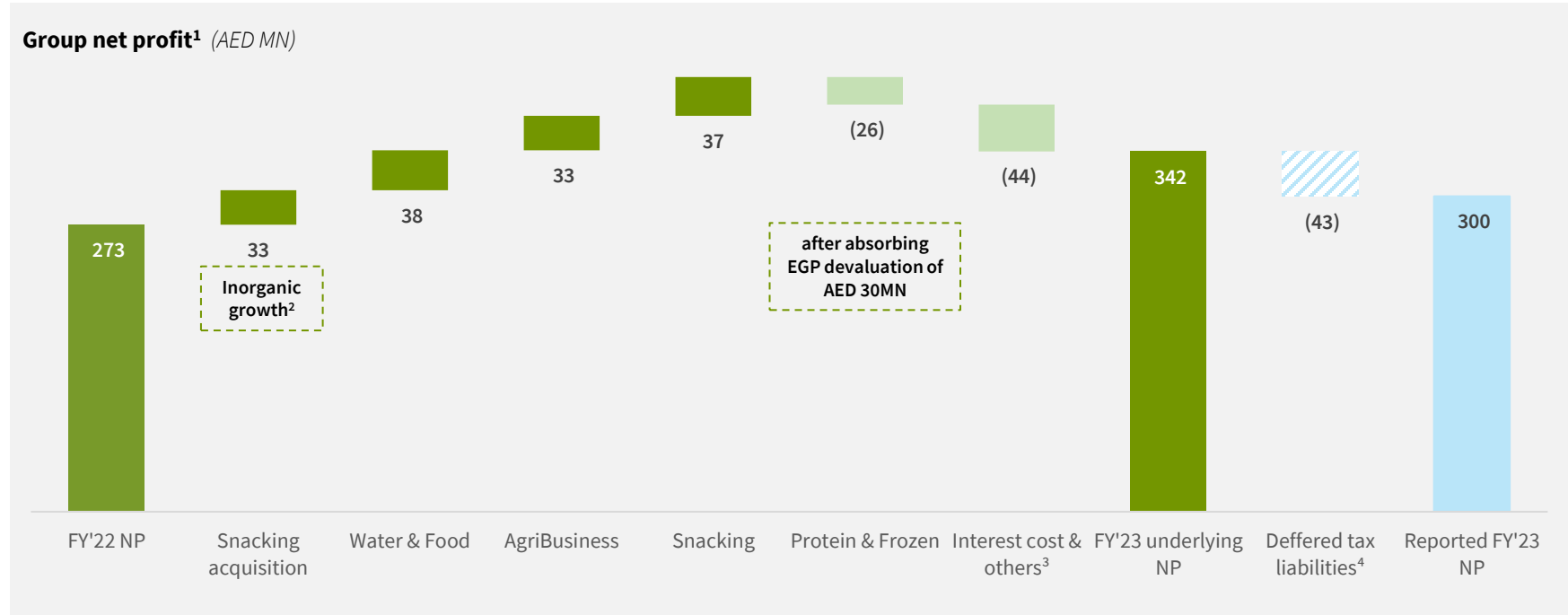


¹ Snacking acquisitions (inorganic growth) includes Abu Auf (Jan'23-mid-Nov'23)

² Others include digital and capability investments

Solid net profit growth despite higher interest rate environment

FY'23 reported net profit growth +10% YoY, +21% pre devaluation – Underlying net profit² growth +25.5% YoY



¹ Net profit including minority interest

² Snacking acquisitions (inorganic growth) includes Abu Auf (Jan'23-mid-Nov'23)

³ FY'23 includes incremental finance costs of AED 39MN + digital and capability investments

⁴ AED 42.6 million one-off technical adjustment for a deferred tax liability on historical goodwill and intangible assets to comply with IFRS interpretation (IAS 12) due to the enactment of the new UAE corporate tax law



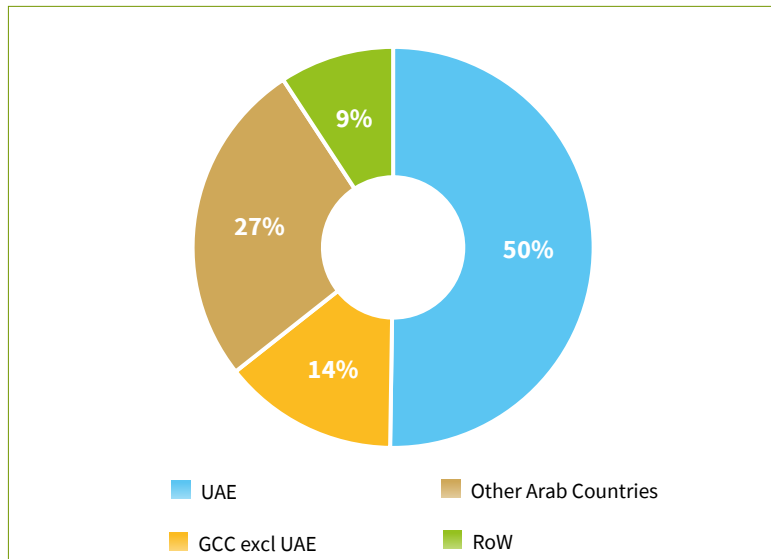
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Segmental performance

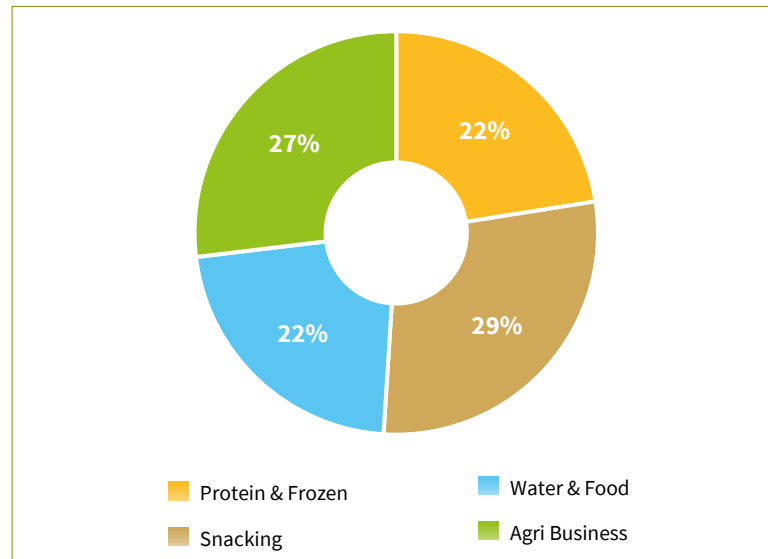


Diversified growing portfolio in large growing scalable markets

Diversified revenue by geography...

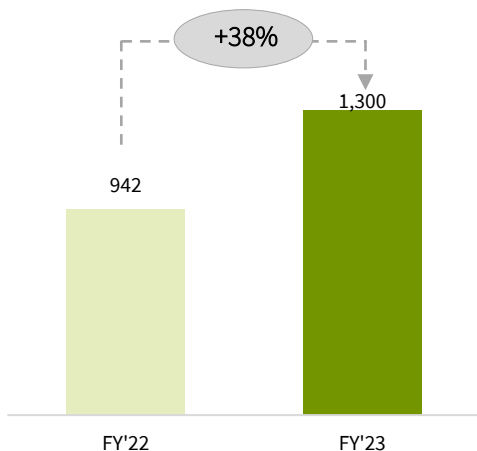


...and segments



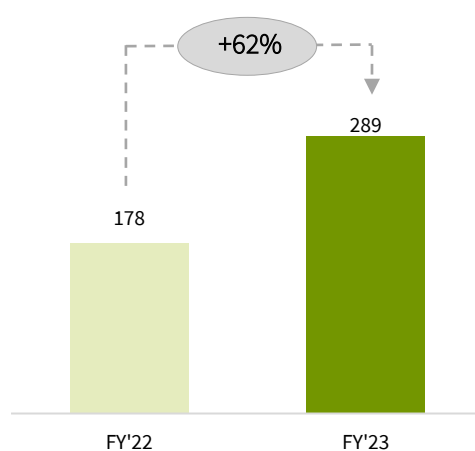
Snacking: Strong growth in dates and contribution from Abu Auf

Revenue, AED MN



EBITDA, AED MN

EBITDA margin 22.2% (+329 bps)



Key highlights

Revenue

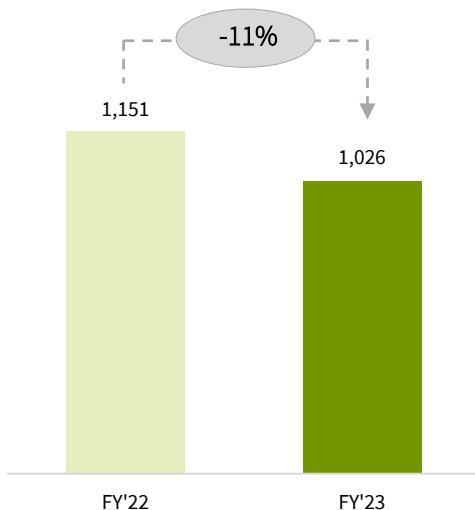
- LFL growth of 9.3% including Abu Auf FY'22
- Dates:
 - Al Foah revenue growth of 22% is largely attributed to price increase resulting from product and packaging innovation across mid and high value ranges, growth in date varieties, combined with a premiumization shift in consumer demand
 - Sales to India, Somalia, Bangladesh and Morocco collectively constitutes 74% of export sales
- Abu Auf: 71.9% EGP LFL sales growth (+7.0% in AED) in core markets, and continued volume and value gain in premium-brand coffee at Abu Auf in Egypt

EBITDA

- Reflecting a positive price and mix effects in domestic and international date markets, strong growth in Abu Auf's market-leading premium coffee, and a step up in profitability from BMB post operational restructuring in Saudi Arabia

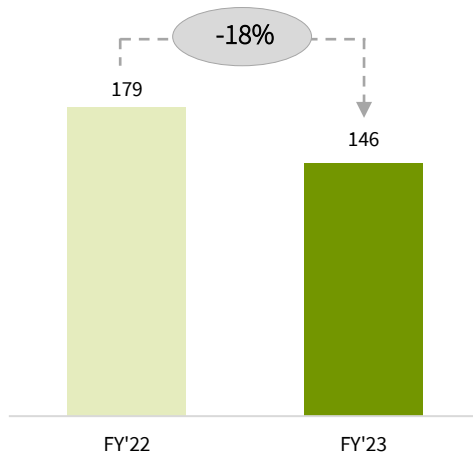
Protein & Frozen: Revenue +19.3% YoY excluding devaluation impact

Revenue, AED MN



EBITDA, AED MN

EBITDA margin 14.3% (-127 bps)



Key highlights

Revenue

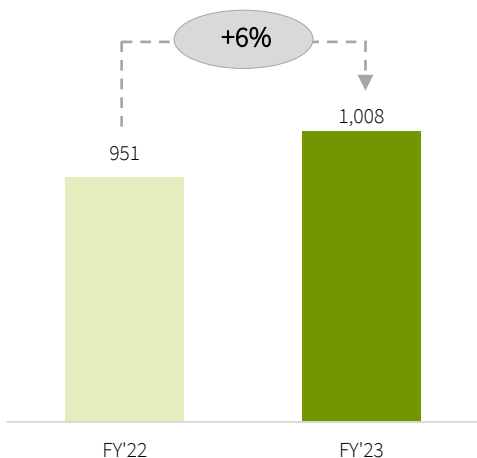
- **+19.3% YoY** excluding FX devaluation
- -10.8% YoY primarily due to EGP devaluation
- Nabil: Increased competitiveness and some consumer downtrading pressure, combined with localization in Saudi had an adverse impact on our business
- Egypt: Resilient performance, improved market share, and increased efficiency led to protecting profitability

EBITDA

- Productivity enhancement and disciplined cost management led to **+11.6% YoY** growth (in local currency terms), despite inflationary environment in Egypt and external challenges in Jordan

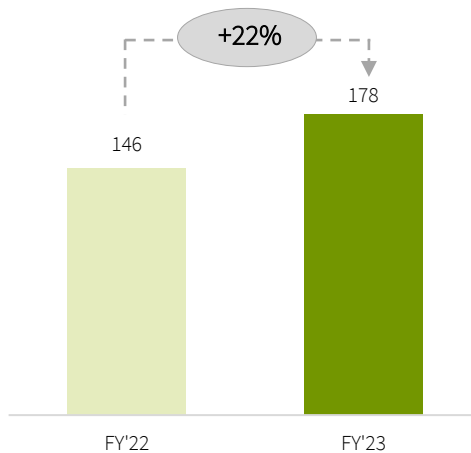
Water & Food: Consistent revenue growth from volume, with EBITDA surpassing driven by step up in efficiency

Revenue, AED MN



EBITDA, AED MN

EBITDA margin 17.6% (+229 bps)



Key highlights

Revenue

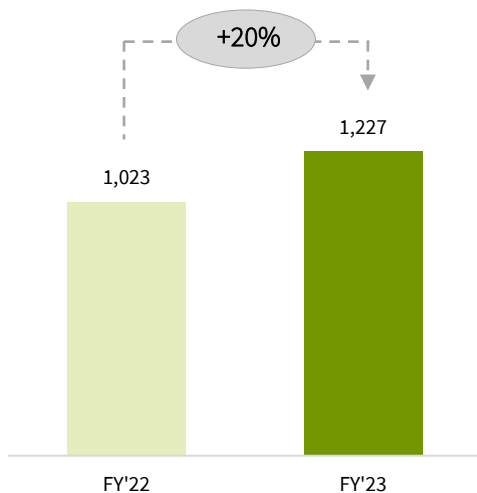
- +6% YoY on positive growth across local (UAE excl. dairy +3.1%) and international channels (KSA +17.0%, Kuwait +25.0%, Turkey +33.1%)
- UAE Bottled Water maintained market leadership

EBITDA

- +21.8% YoY on volumes, favorable mix, further efficiencies in UAE and Saudi Arabia, and more benign commodity environment

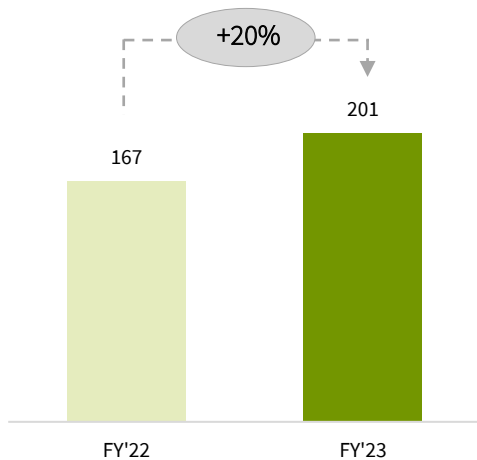
Agri-Business: Strong volumes in Flour and Feed

Revenue, AED MN



EBITDA, AED MN

EBITDA margin 16.3% (-2 bps)



Key highlights

Revenue

- +19.9% YoY on share gain in Flour, increasing proportion of premium and specialty products and strong volume in Feed supported by innovation

EBITDA

- +19.8% YoY on improved Flour volumes and mix, cost efficiencies increase, and a more favorable commodity backdrop



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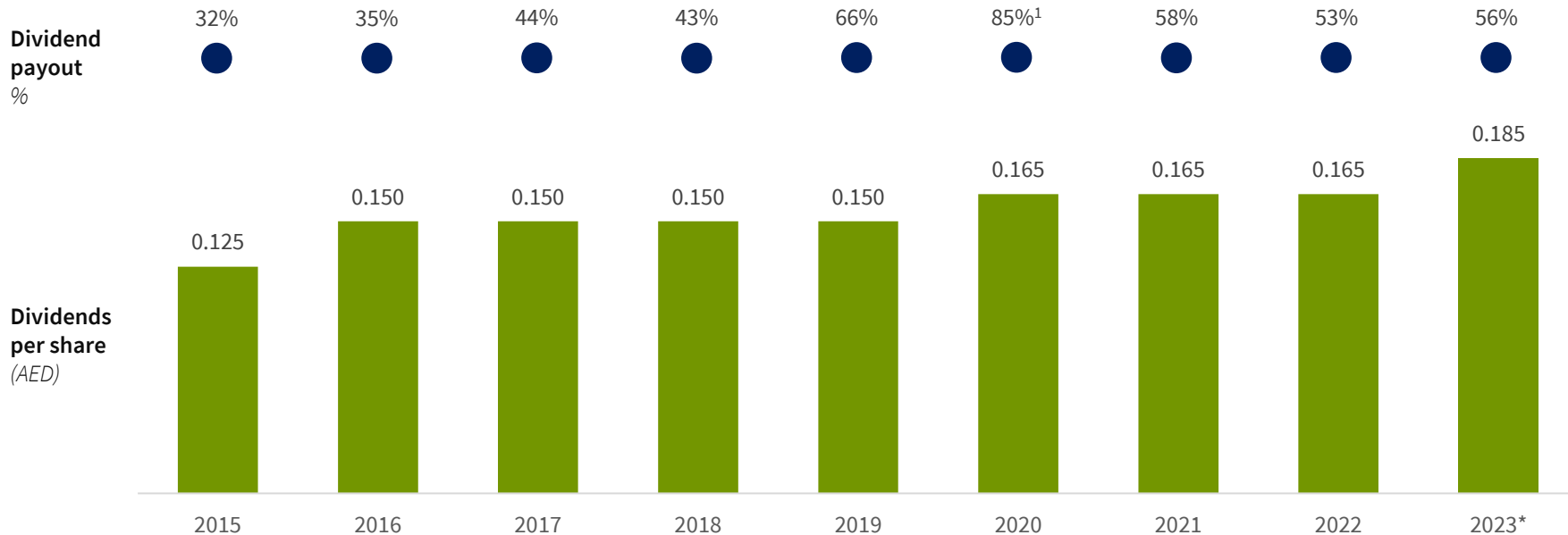
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Delivering shareholder value



Improved dividend yield

Consistent cash dividend payout ratio of 50-60%



FY'23 total shareholder value received c.a +9% yield

¹ Normalized EPS for 2020

* H1 2023 DPS approved by shareholders on Sep 12, 2023. H2 2023 DPS subject to AGM approval



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Our FY'24 outlook



Agthia is on track to achieve 2025 external guidance



Robust revenue growth

to **AED 6 BN**

in FY 2025



EBITDA margin improvement

15.5-16.5%

in FY 2025



Net profit margin growth

to **8.5-10.0%**

in FY 2025



Significant improvement of RoIC¹

to **9-10%**

in FY 2025

2023 Results: ahead of top end of guidance ranges with significant improvements vs. 2020

Total group revenue

AED 4.6 BN

+121% vs. 2020
+12.1% vs. 2022

Group EBITDA margin

15.1%

+691 bps vs. 2020
+113 bps vs. 2022

Group net profit margin

7.5%

+578 bps vs. 2020
+80 bps vs. 2022

RoIC

8.0%

+600 bps vs. 2020
+150 bps vs. 2022

¹ RoIC % = 100% underlying net profit / (average equity + average net debt)

FY'24 Guidance¹

Revenue growth

+10% to 12%

- FY average FX rate of up to USD / EGP 40 (20% devaluation)
- No further acquisitions

EBITDA margin improvement

+40 to 60 bps

- FY average FX rate of up to USD / EGP 40 (20% devaluation)
- No further acquisitions

Net profit margin improvement*

+30 to 50 bps

- 100% of Group profit including minorities
- FY average FX rate of up to USD / EGP 40 (20% devaluation)
- No further acquisitions
- 3M SOFR rates 5.5%

Assumptions

*vs. underlying net profit margin FY 2023

¹ **Guidance assumes no significant deterioration in geopolitical outlook**

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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Q&A





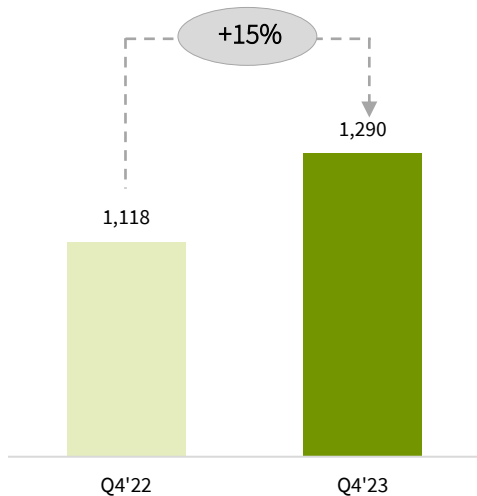
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Appendix

Q4'23 Group headlines

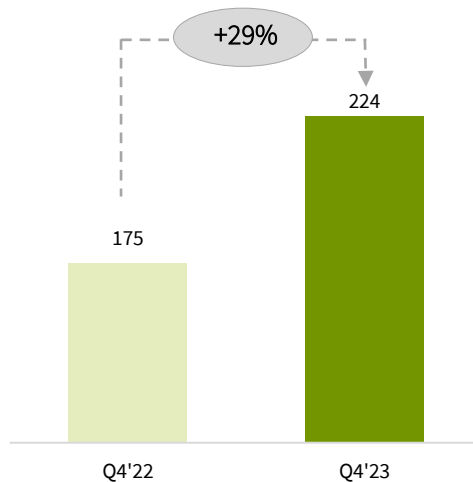
Double-digit revenue growth...

AED MN



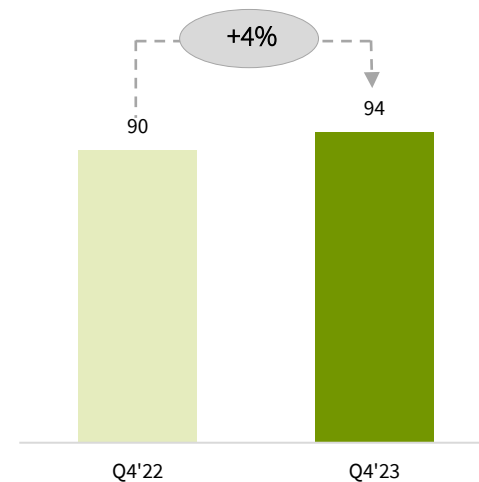
... outpaced by EBITDA

AED MN



Healthy net profit growth despite macroeconomic headwind

AED MN



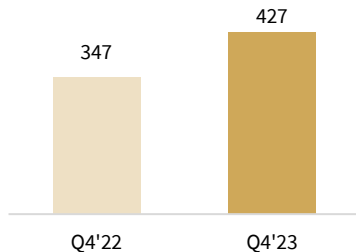
¹Net profit including minority interests

Q4'23 segment performance

Snacking

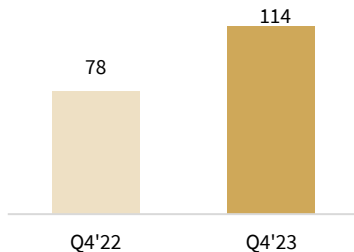
Revenue¹, AED MN

+23.3% y-o-y



EBITDA¹, AED MN

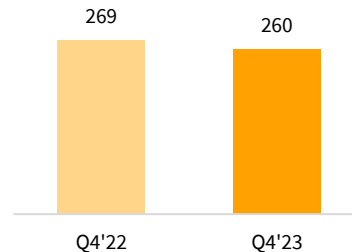
+47.2% y-o-y, EBITDA margin +435 bps



Protein & Frozen

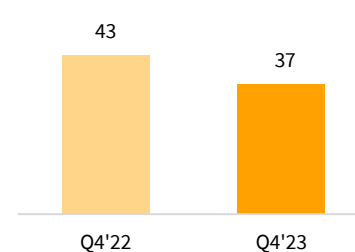
Revenue, AED MN

-3.2% y-o-y



EBITDA, AED MN

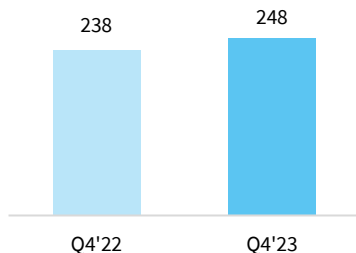
-15.3% y-o-y, EBITDA margin -202 bps



Water & Food

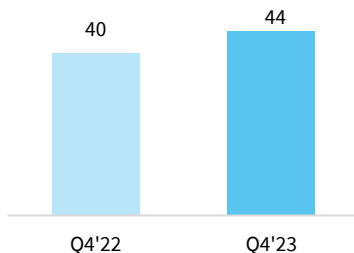
Revenue, AED MN

+4.2% y-o-y



EBITDA, AED MN

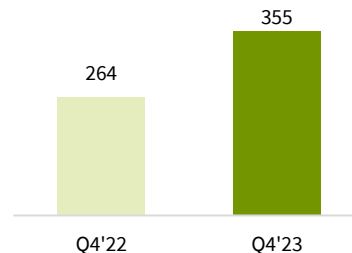
+8.9% y-o-y, EBITDA margin +71 bps



Agri-Business

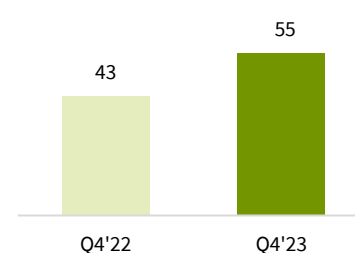
Revenue, AED MN

+34.1% y-o-y



EBITDA, AED MN

+28.9% y-o-y, EBITDA margin -63 bps



¹Q4'23 includes Abu Auf

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 Q2 2024

Over AED 144MN in revenue generated from strategic product innovation

AED 29MN from Water and Food



AED 75MN from Snacking



AED 29 MN from Protein & Frozen Veg



AED 11MN from Agri- Business



5-year digital roadmap with clear priorities

Priority #1

Best customer / consumer experience

- **Seamless omnichannel experience** with optimized 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



Progress on digital agenda

Accelerate digital transformation by Adopting AI

We signed a Memorandum of Understanding (MoU) with Microsoft UAE
The MoU focusses on:

- **Revolutionizing customer experience with AI**
- **Establishing smart retail stores**
- **Enhancing employee engagement and learning**



Other achievements

- Grew our Digital & Technology competence center with new talents
- Launched Microsoft co-pilot (Chat-Gpt) engine in our Water Home Delivery Contact Center
- Launched our B2B Portal for our traditional trade channels
- Successfully rolled out Oracle template via our Oracle Center of Excellence at our Saudi Arabia and Kuwait units
- Our AI Ain social media has received the MENA Digital Awards

ESG is integral to Agthia's purpose



ENVIRONMENTAL

Eco-friendly products driving revenue growth & lowering costs:

- PLA and rPET growth
- Reduced energy consumption at Grand Mills and Al Ain via smart energy monitoring system
- Decreased raw material use through reduced weight in bottles and packaging
- Use of renewable energy within our organization



SOCIAL

CSR strategy built on community:

- Strategic partnerships with organizations with proven experience in community development programs
- Encouraging volunteerism within Agthia
- Supporting authorities in raising living standards through infrastructure and community services especially in regions where we operate



GOVERNANCE

Commitment and accountability start with BoD/BU Heads:

- Established three-layer/top-down governance structure that starts from BoD and cascades through the company
- Integrated governance structures at BoD and BU levels to ensure ESG KPIs are consistently measured and benchmarked across the Group

Our Sustainability Agenda: adopting a “4 P” approach

Packaging

- **Packaging material reduction** of 1,200 tons YTD
- Plant-based bottles: 350% YoY volume growth during FY'23
- Launched UAE's first local produced **100% rPET** water bottle in Gulfood Feb'23
- 96% of Group packaging is recyclable or reusable

Processes

- 3.7% reduction in water usage ratio (FY'23 vs FY'22)
- 1.0% decrease in electricity ratio (FY'23 vs FY'22)
- 50% reduction in waste to landfill ratio (FY'23 vs FY'22)
- 90.21 GMP Score

Partnerships










RECAPP partnership with Veolia: free door-to-door collection service for recyclables; already collected 655tn and estimated to reach 900tn by end of 2023

- 73,583 KG collected/month during FY'23
- 79,860 registered users
- 129% increase in in plastic collection quantities rate

People

- **Consumers:**
 - Packaging optimization, recyclable products, innovative sustainable products
 - Key advocate on sustainability and circular economy
- **Employees:**
 - Continuous Upskill workforce to transform and accelerate innovation and sustainability
 - 2.3% Increase in female employees in Management positions

Board of Directors

	Chairman / Vice Chairman		Board Member						
									
	Khalifa Sultan Al Suwaidi Chairman	Salmeen Alameri Vice Chairman	Gil Adotevi	Khamis Mohamed Buharoon Al Shamsi	Svet Varadzakov	Ms. Mariam Ahmed Al Remeithi	Ms. Caitlin Nguyen	Ms. Sharmila Murat	Maurizio Patarnello
Role:	Managing Partner, Lunate	CEO, Silal	CEO, Food & Agriculture - ADQ	Chairman, Abu Dhabi National Takaful	Director, Portfolio Management, ADQ	Equities Associate, ADIA	Head of Digital and Customer Engagement, Abbott Laboratories	Chief Commercial Officer, Bluebell Group	Advisor & Board Member – Agthia, Flow Beverage & Saniton Plastic (Canada), HWB (KSA)
Committee Membership:		NRC SIC	Chairman - SIC NRC	Chairman – ARC	ARC	SIC	SIC	Chairman - NRC SIC	SIC

ARC : Audit and Risk Committee

NRC: Nomination and Remuneration Committee

SIC : Strategy, Investment and Innovation Committee

Strong leadership team with track record of value creation

Group Functions

Business Units



**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



**Hala
Hobeiche
Katounas**

Sr. Vice
President
M&A

20 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



**Declan
Bennett**

President – Protein

33 Years



**Nizar
Kayali**

President –
Flour & Feed

20 Years



Total
Experience:

Previous
Notable
Experience:

Summary Profit & Loss Statement

AED'000	FY'23	FY'22	YoY
Revenue	4,561,210	4,067,394	12%
Cost of sales	-3,200,212	-2,909,812	10%
Gross profit	1,360,998	1,157,582	18%
Selling and distribution expenses	-577,499	-507,956	14%
General and administrative expenses	-352,081	-345,825	2%
Research and development cost	-8,070	-9,298	-13%
Other income, net	43,401	52,229	-17%
Operating profit	466,749	346,732	35%
Finance income	25,649	27,419	-6%
Finance expense	-112,883	-75,897	49%
Share of profit/ (loss) from investment in JV/associate	2,671	3,071	-13%
Profit for the period before income tax and zakat	382,186	301,325	27%
Income tax and zakat expenses	-82,610	-28,742	187%
Profit for the period	299,576	272,583	10%
Attributable to:			
Owners of the Company			
Non-controlling interest	38,568	25,798	49%
Basic and diluted EPS (AED)	0.330	0.312	6%

Summary Balance Sheet Statement

AED'000	FY'23	FY'22
Property, plant and equipment	1,460,821	1,446,027
Intangible assets & Goodwill	2,408,106	2,421,885
Others	128,038	104,521
Total non-current assets	3,996,965	3,972,433
Inventories	926,834	847,275
Trade and other receivables	1,055,216	891,034
Cash and bank balances	629,958	1,042,502
Others	31,339	55,560
Total current assets	2,643,347	2,836,371
Total assets	6,640,312	6,808,804
Bank borrowings	1,229,603	1,710,816
Others	244,573	195,109
Total non-current liabilities	1,474,176	1,905,925
Bank borrowings	320,496	675,651
Trade and other payables	1,606,889	990,121
Others	45,204	151,214
Total current liabilities	1,972,589	1,816,986
Total liabilities	3,446,765	3,722,911
Total equity	3,193,547	3,085,893
Equity attributable to the owners of the Company	2,909,777	2,813,274
Non-controlling interests	283,770	272,619
Total equity and liabilities	6,640,312	6,808,804

Summary Cash Flow Statement

AED'000	FY'23	FY'22	YoY
Profit before tax & zakat expenses	382,186	301,325	26.8%
<i>Adjustments for:</i>			
Depreciation & Amortization	228,585	231,383	-1.2%
Provisions & Allowances	26,724	29,372	-9.0%
Others	72,950	43,068	69.4%
<i>Change in:</i>			
Inventories	-83,565	-122,760	-31.9%
Trade and other receivables	-151,758	-58,309	160.3%
Due from / to a related party	-448	84-	
Trade and other payables	602,812	-60,251-	
Deferred government grant	-7,664	-7,208	6.3%
Other provisions	-73,166	-18,832	288.5%
Others	-31,795	-41,174	-22.8%
Net cash generated from operating activities	964,861	296,698	225.2%
Purchase of PPE (CAPEX)	-164,973	-117,333	40.6%
Investment in subsidiaries, net of cash	0	-327341-	
Others	371,468	148,483	150.2%
Net cash generated from/(used in) investing activities	206,495	-296,191-	
Dividend paid to shareholders	-130,610	-130,610	0.0%
Bank borrowings, net	-791,368	253,978-	
Others	-181,523	-114,679	58.3%
Net cash (used in)/generated from financing activities	-1,103,501	8,689-	
Increase in cash and cash equivalents	67,855	9,196	637.9%
Effect of foreign exchange	-11,268	-15,938	-29.3%
Beg. Cash & Equivalents balance	221,121	227,863	-3.0%
End. Cash & Equivalents balance	277,708	221,121	25.6%



For The Better • من أجل الأفضل

Thank you



11 March 2024