



Date: 17/05/2021

Ref.: MHC/Disclosure/2021/056

**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 Q1-2021**

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 it Investors' Conference Call today at 02:30 pm.

Attached is the PowerPoint presentation shared with of the Analysts and Investors at the Conference Call for the results of Q1-2021, noting that there were no material information disclosed on the Call.

**Mezzan Holding Company KSCP**

**Group Legal Manager**

**Walid Ali Khalil**



Disclosure of Material Information Form

Date	17/05/2021
Name of the Listed Company	Mezzan Holding Company KSCP
Material Information	Kindly note that Mezzan has held its Investors' Conference Call today at 02:30 pm. Attached is the PowerPoint presentation shared with the Analysts and Investors at the Conference Call for the results of Q1-2021, 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

Group Legal Manager

Walid Ali Khalil



# Q1 2021 Earnings Presentation

May 17, 2021



# Disclaimer

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# Agenda

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- Tailwinds & Headwinds
- Q1 2021 Highlights
- Historical Performance
- Financial Review
- Q&A





# Mezzan Today: Tailwinds

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- Continued progress in our core brands
- Good Cash management continues
- KLOC refinery now operational





# Mezzan Today: Headwinds

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- Annualizing against the panic buying at the start of Covid
- Troop withdrawals
- Annualizing against quarantine meals in Kuwait last year
- Lockdowns and restrictions continue to cause turbulence



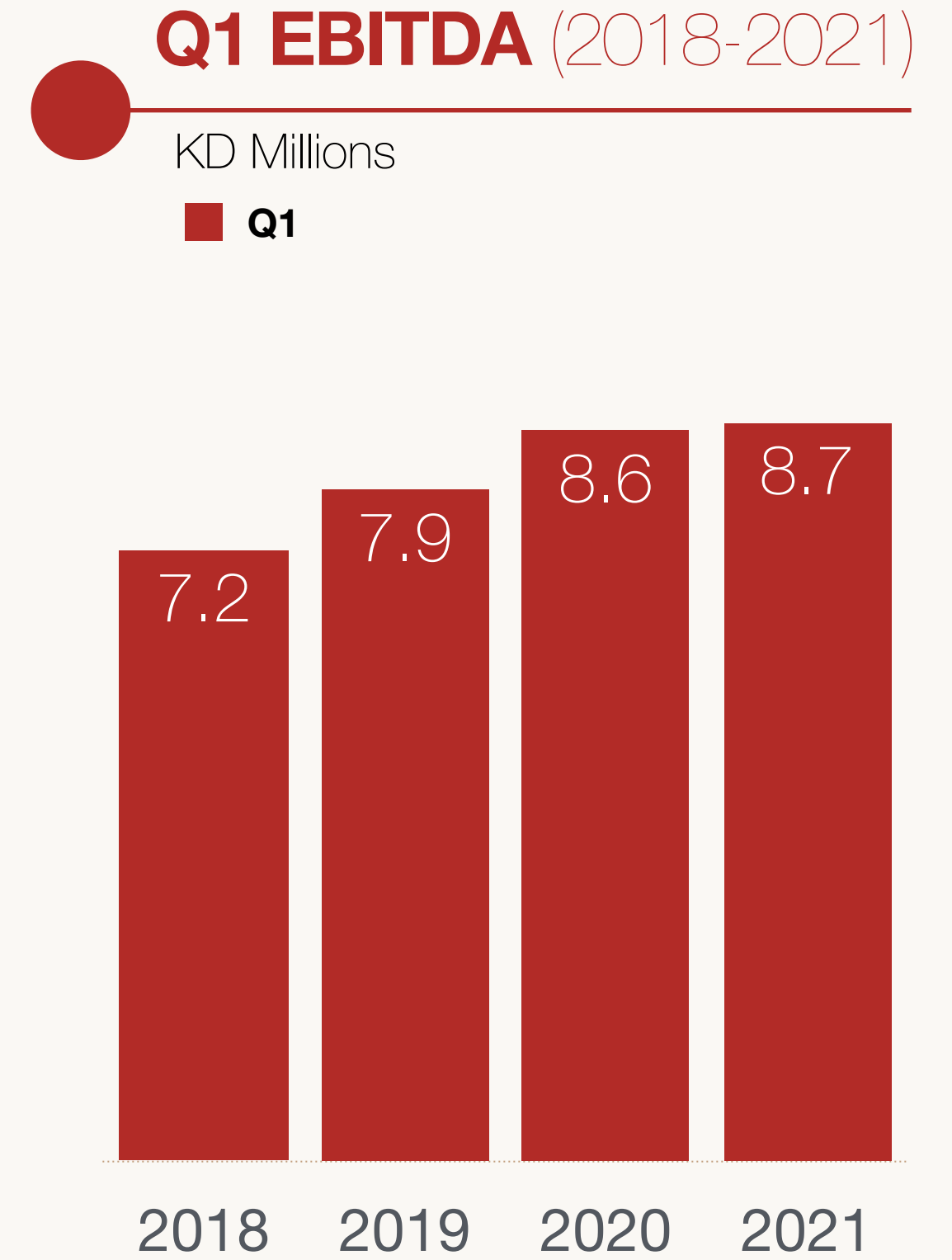


# Mezzan Today: Earnings Highlights

KD Millions

	<u>1Q21</u>	<u>1Q20</u>	% Diff
<b>Revenue</b>	<b>73.4</b>	<b>74.4</b>	<b>-1.4%</b>
<b>Gross Profit</b>	<b>16.2</b>	<b>16.6</b>	<b>-2.5%</b>
<b>EBITDA</b>	<b>8.7</b>	<b>8.6</b>	<b>+1.0%</b>
<b>Net Income</b>	<b>5.6</b>	<b>5.2</b>	<b>+8.0%</b>
<b>Net Profit</b>	<b>5.0</b>	<b>4.6</b>	<b>+6.8%</b>

*Attributable to Equity Holders of Parent Company*



EBITDA up by 1% (KWD +0.1mn), driven by decrease in SG&A expenses.



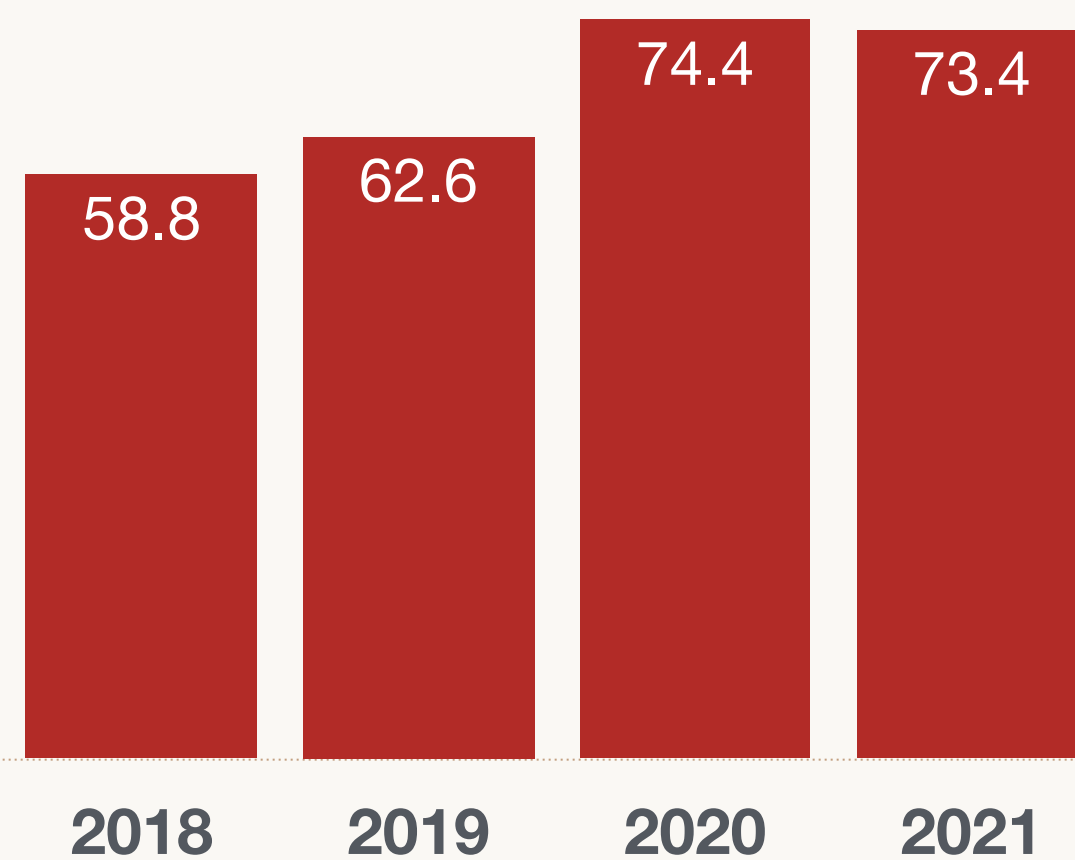




# Mezzan Today: Historical Performance

KD Millions

## Q1 Revenue

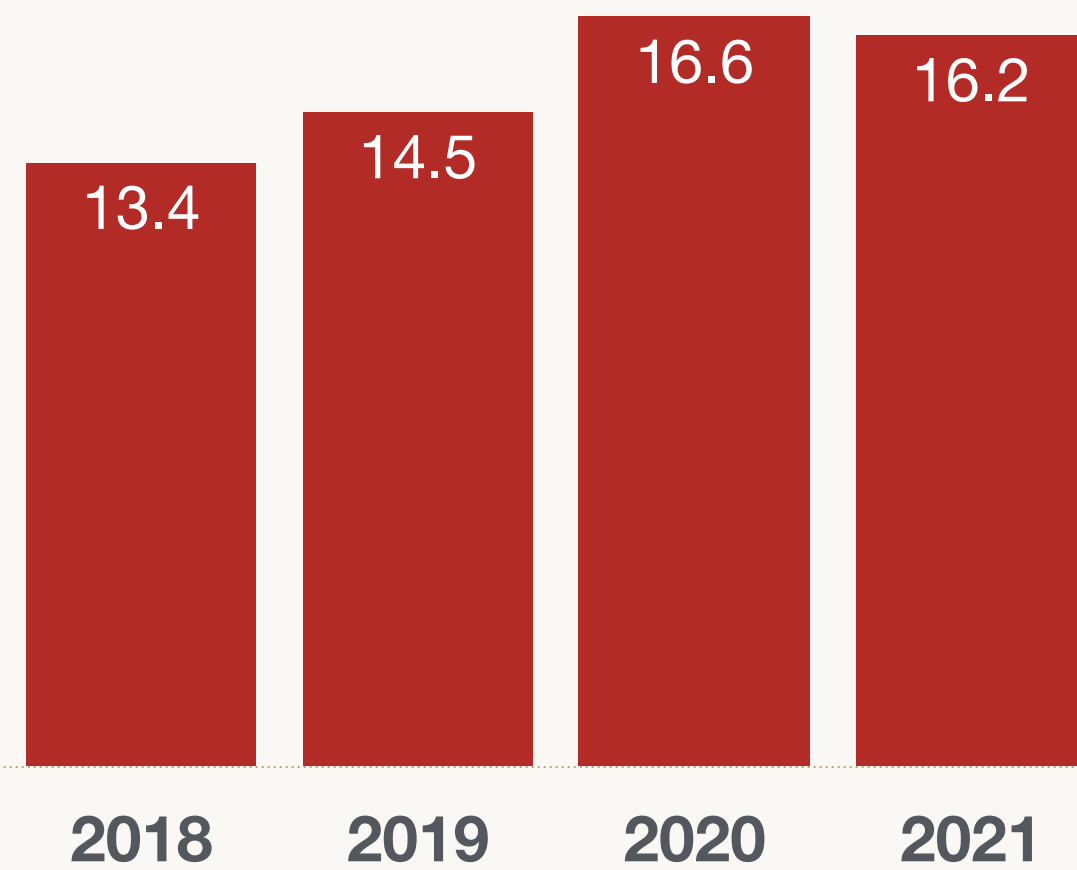


### -1.39% (-KWD 1.04mn)

Food group declined by -3.59% largely due to decrease in Services (U.S Troops) decline by -21.14% and Catering declined by -15.64% however Food Manufacturing and Distribution increased by +1.95%.

Non Food grew by +2.22% which was driven by growth in FMCG +1.47%, and Industrials increased by +19.05%.

## Q1 Gross Profit

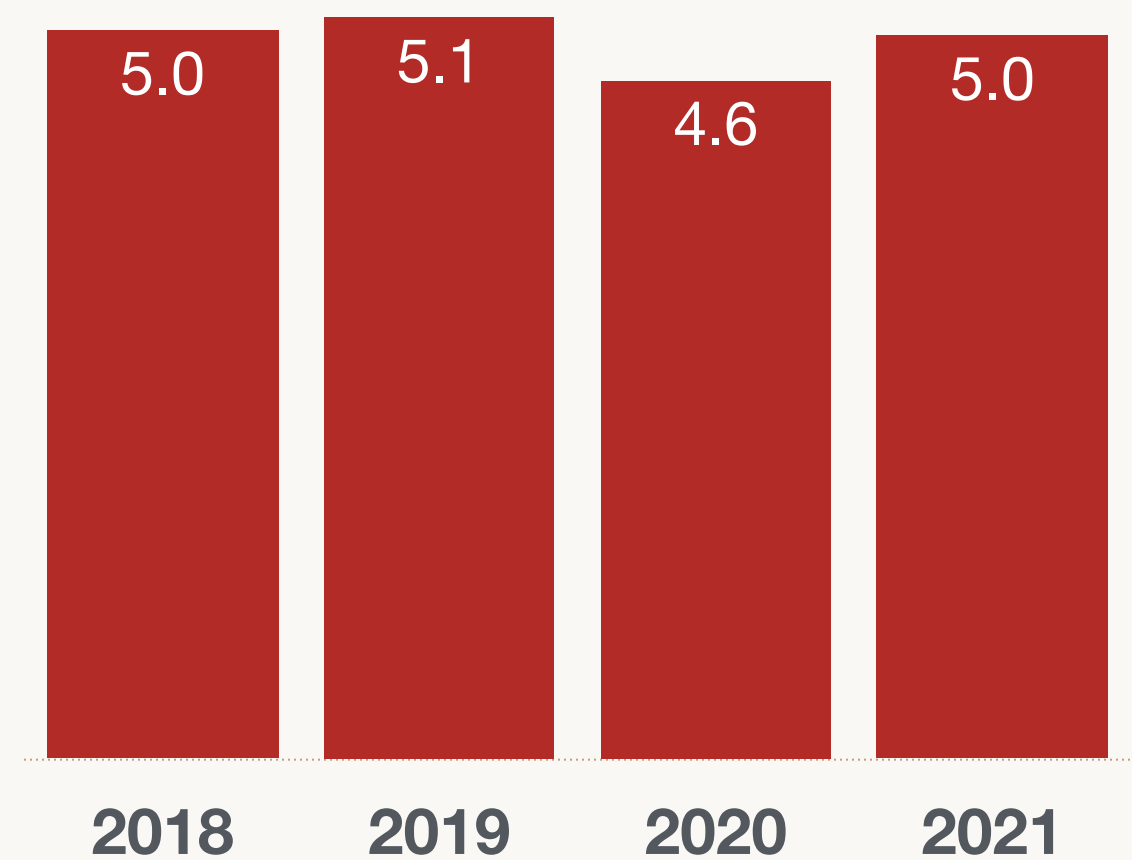


### -2.45% (-KWD 0.41mn)

Gross Margin: 22.08% vs 22.32%, → 0.24%.

## Q1 Net Profit

Net Profit to Parent



### +6.8% (+KWD 0.315mn)

Net income improved by operating results.



# Financial Review





# Q1'2021 Revenue: Contribution by Business Line

**FOOD REVENUE -3.6%**

Vs. Q1'20



60.8%

Share of of total Group Revenue

**NON-FOOD REVENUE +2.2%**

Vs. Q1'20



39.2%

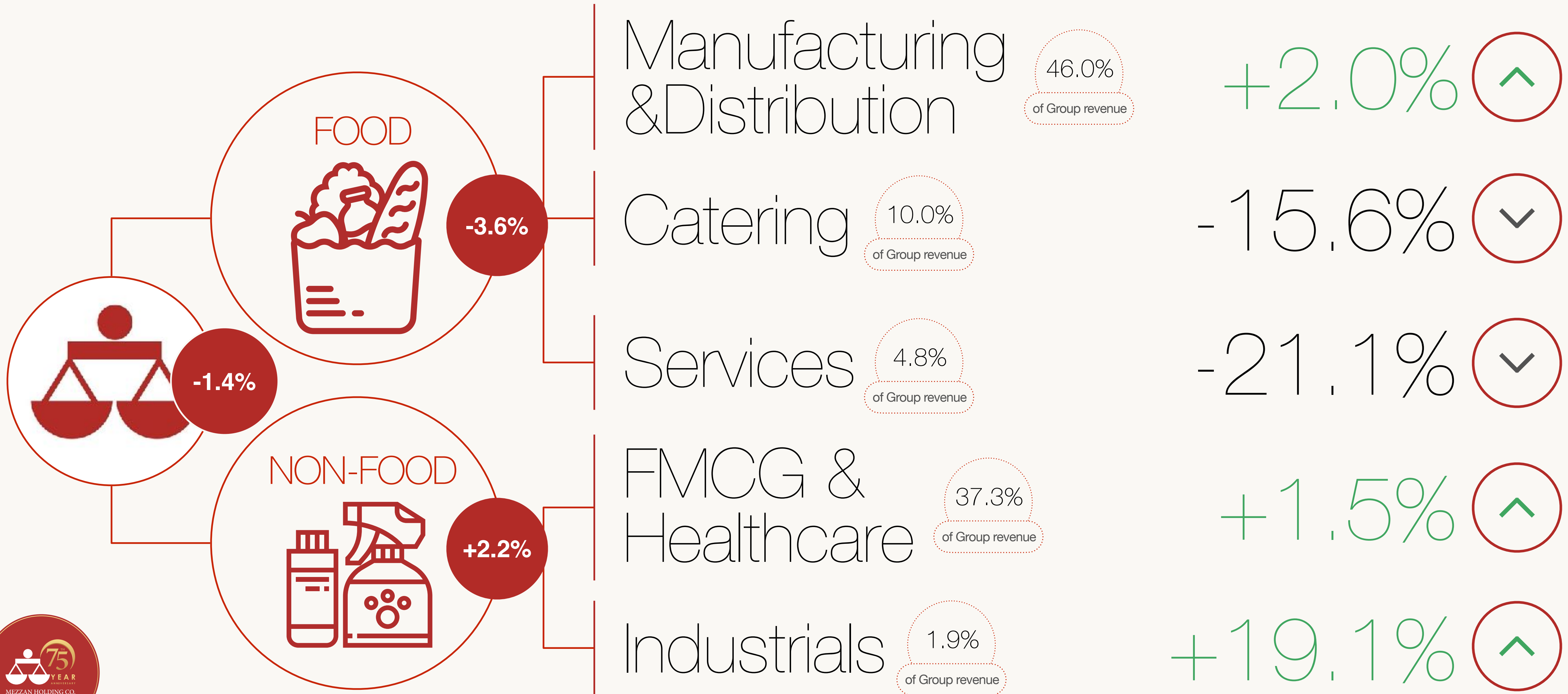
Share of of total Group Revenue





# Q1'2021 Revenue: Growth by Business Division

Vs.Q1'20



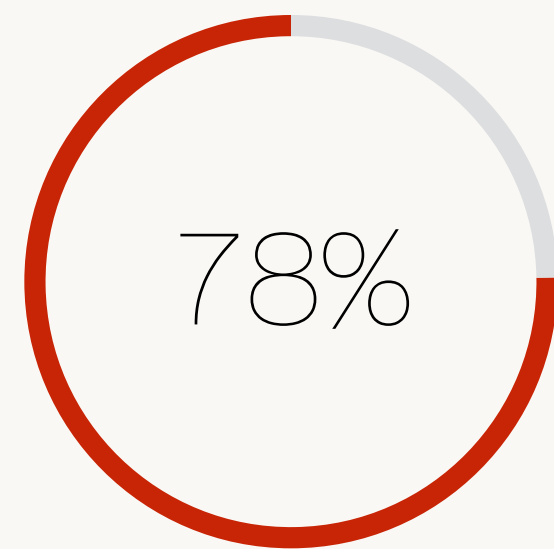


# Q1'2021 Revenue: Contribution and Growth by Country

○ Top-line Contribution

Vs.Q1'20

**Kuwait**



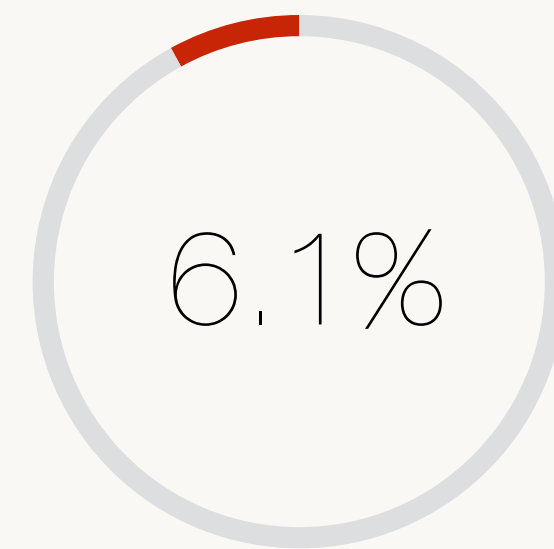
+0.6%

**UAE**



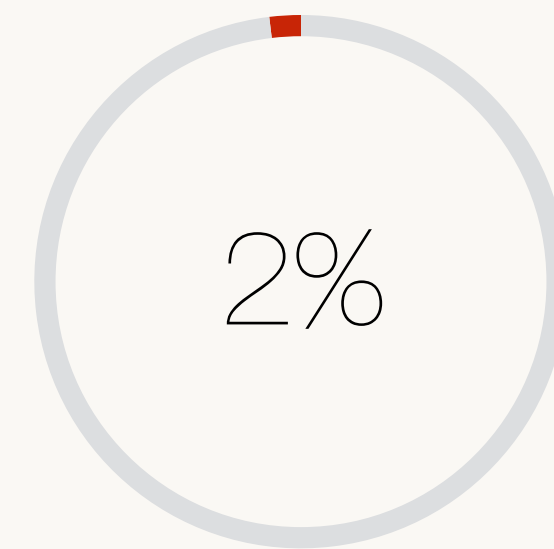
+3.6%

**Qatar**



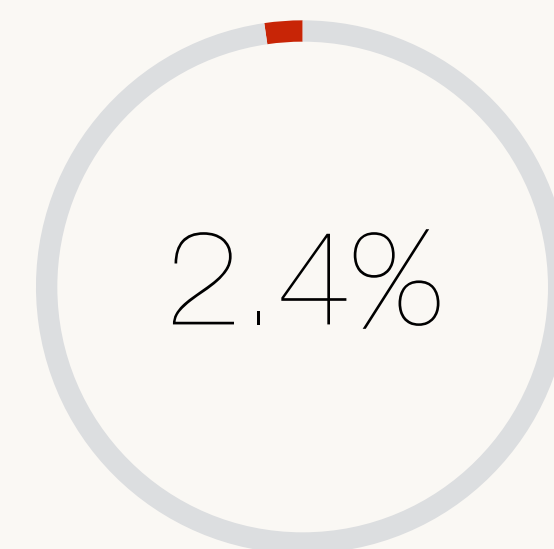
-18.1%

**KSA**



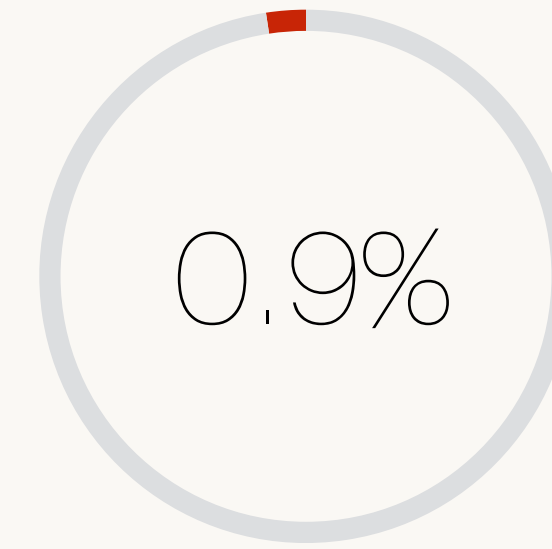
+15.6%

**Jordan**



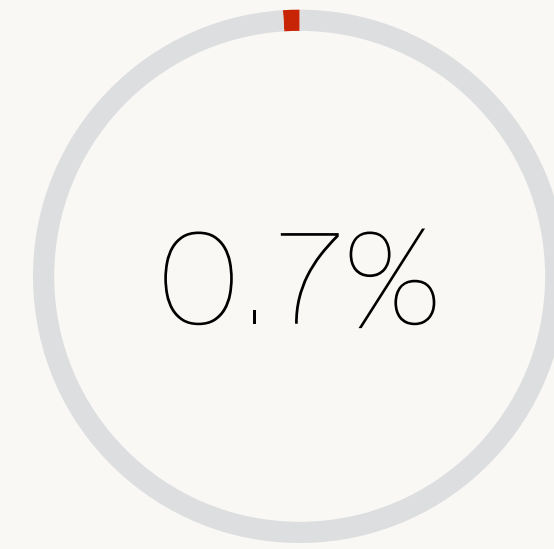
+16.5%

**Afghanistan**



-57.3%

**Iraq**



-33.1%





# Q1'2021: P&L

KD Millions

	<b>Q1'21</b>	Q1'20	<i>% Diff</i>
<b>Revenue</b>	<b>73.4</b>	74.4	-1.4%
Gross Margin	<b>16.2</b>	16.6	-2.5%
	<i>GM %</i>	22.3%	
	22.1%		
<b>SG&amp;A / Other</b>	<b>-9.8</b>	-10.2	-4.5%
<b>Operating Profit</b>	<b>6.4</b>	6.4	+0.9%
Other	<b>-0.6</b>	-1.0	-37.8%
<b>Underlying Profit before Tax</b>	<b>5.8</b>	5.4	+8.2%
Tax	<b>-0.2</b>	-0.2	-11.2%
<b>Underlying Net Profit</b>	<b>5.6</b>	5.2	+8.0%
	<i>NP %</i>	6.9%	
	7.6%		
<b>Net Income</b>	<b>5.6</b>	5.2	+8.0%
	<i>UNP %</i>	6.9%	
	7.6%		
<b>Net Profit Attributable to Shareholders</b>	<b>5.0</b>	4.6	+6.8%





# Q1'2021: CASHFLOW

	Q1'21	Q1'20	KD Millions <i>Diff</i>
Operating Cash Flow <i>before WC changes</i>	<b>9.2</b>	9.2	-0.1
Working Capital	<b>-2.6</b>	-3.8	+1.2
<b>Operating Cash Flow</b>	<b>6.6</b>	5.4	+1.2
CAPEX / Other investing activities	<b>-1.5</b>	-2.0	+0.5
<b>Cash Flow before financing</b>	<b>5.1</b>	3.3	+1.7
Dividends & purchase of treasury shares	<b>-0.2</b>	0.0	-0.2
Financing costs / Other	<b>-1.0</b>	-1.3	0.3
Cash Flow after financing	<b>3.9</b>	2.1	+1.9
Decrease (Increase) in Net Debt	<b>3.9</b>	2.0	+1.9





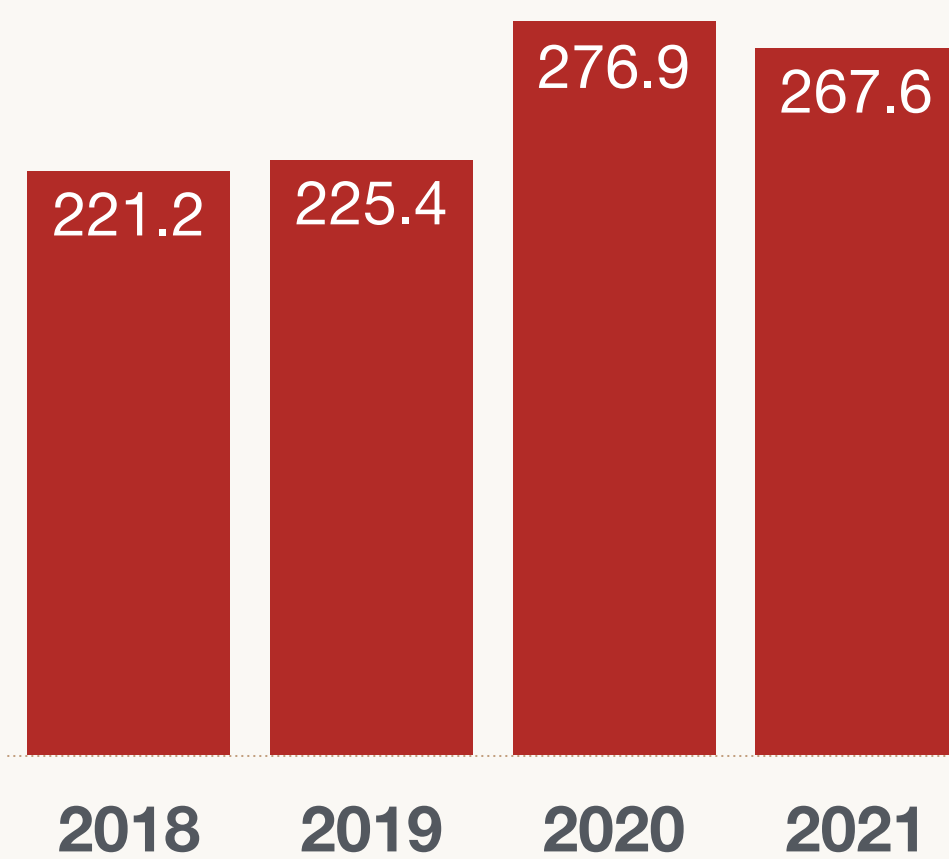
# Balance Sheet as of March 31, 2021

KD Millions

## Total Assets

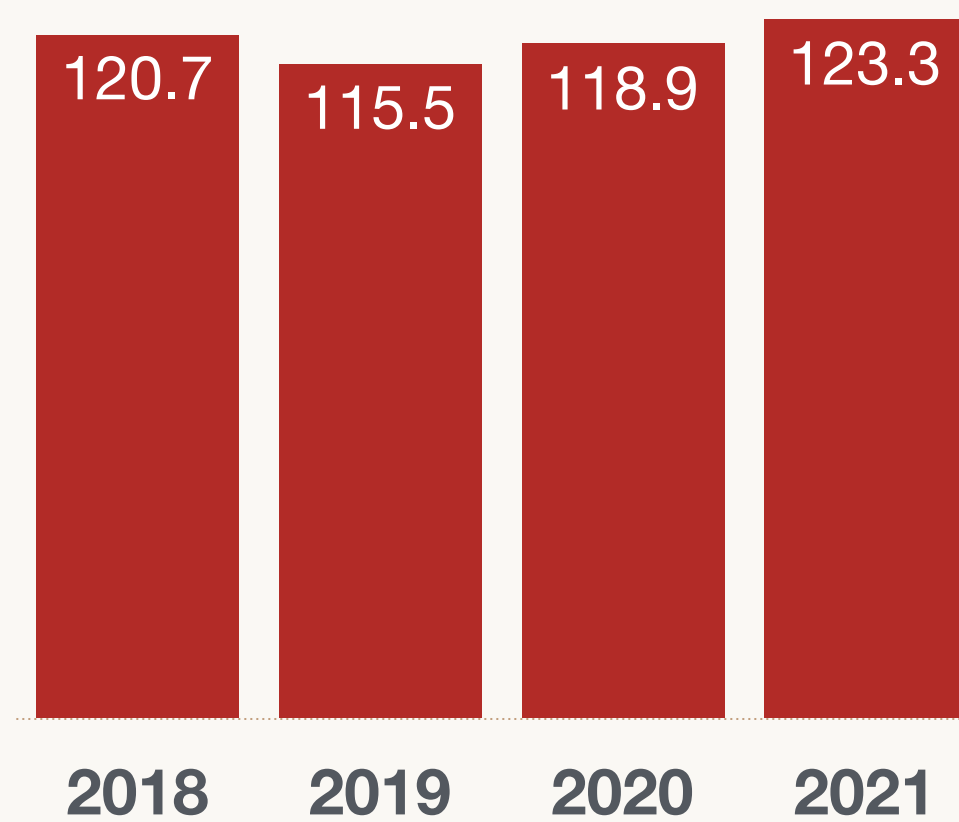
KD Millions

*Growth from previous period driven by acquisition and growth*



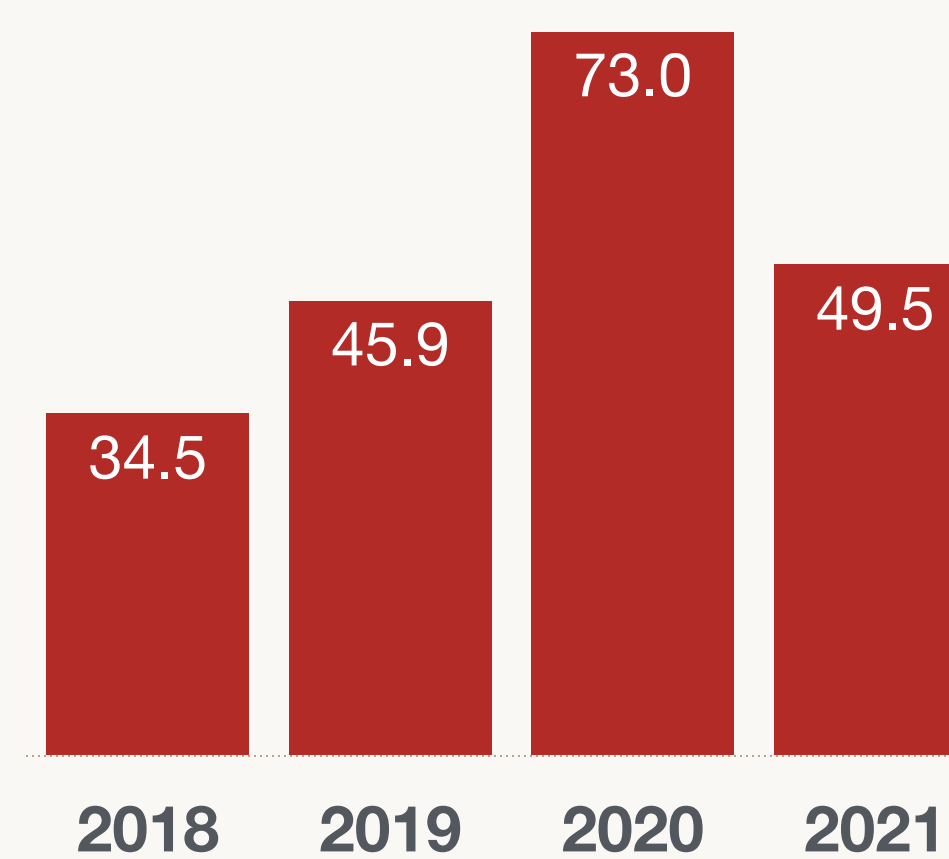
## Equity

KD Millions



## Net Debt +%

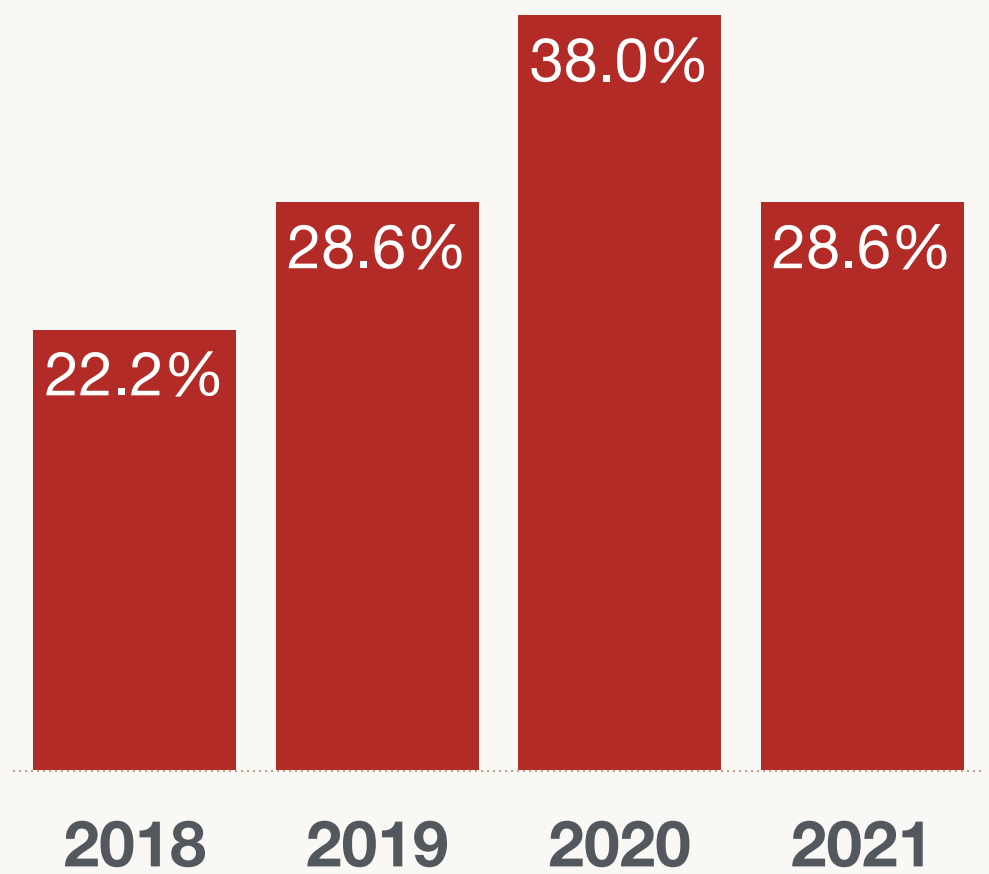
KD Millions



*Net debt dropped from KWD73m in March 2020, to KWD 49.5m in March 2021.*

## Net Debt to Capitalization

%







# A note on debt levels

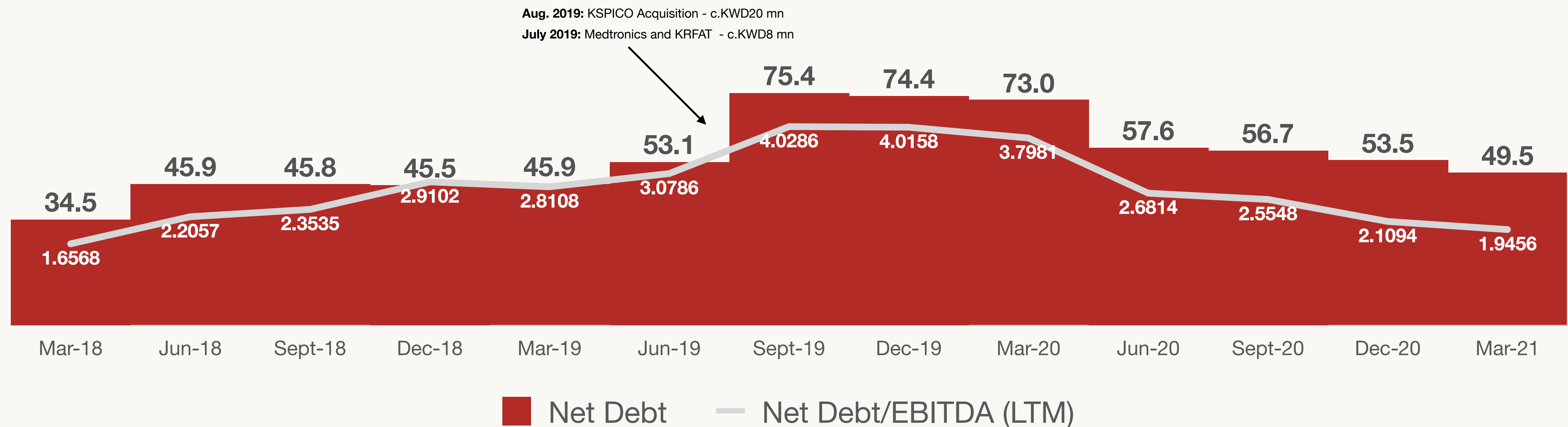
KD Millions



Net Debt stood at c. KWD 49.5 mn, down by c. KWD 23.5 mn from Mar 2020 levels.

Quarterly Net Debt / EBITDA: 5.7x, down by 2.8x vs. Mar 2020

12-Month Net Debt / EBITDA: 1.9x, down by 1.9x Vs Mar 2020



(a) Last Twelve Months EBITDA



Q&A





## **Investor Relations Contact**

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