



Date: 22/03/2021

Ref.: MHC/Disclosure/2021/023

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 Financial Year ended on 31/12/2020

Reference to the above subject and pursuant to the provisions of 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 01:00 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 31/12/2020, noting that there were no material information disclosed on the Call.

Mezzan Holding Company KSCP

Group Legal Manager

Walid Khalil



Disclosure of Material Information Form

Date	22/03/2021
Name of the Listed Company	Mezzan Holding Company KSCP
Material Information	Kindly note that Mezzan has held its Investors' Conference Call today, Monday, 22 March 2021 at 01:00 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 31/12/2020, noting that there were 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 Khalil



FY 2020 Earnings Presentation

March 22, 2021



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Agenda

- Tailwinds & Headwinds
- FY 2020 Highlights
- Historical Performance
- Financial Review
- Q&A





Mezzan Today: Tailwinds

- Strong top line performance in Food M&D, FMCG and Healthcare
- Enhanced operating margins
- Enhanced profitability





Mezzan Today: Headwinds

- Supply chain disruptions for some portfolio items
- Select market segments impacted by ongoing school closures in some countries
- Interruptions of business in select areas due to lockdowns and curfews
- One-off Covid-related costs, including staff relocation costs
- Reduction of US troops in Afghanistan
- Decline in Qatar catering segment



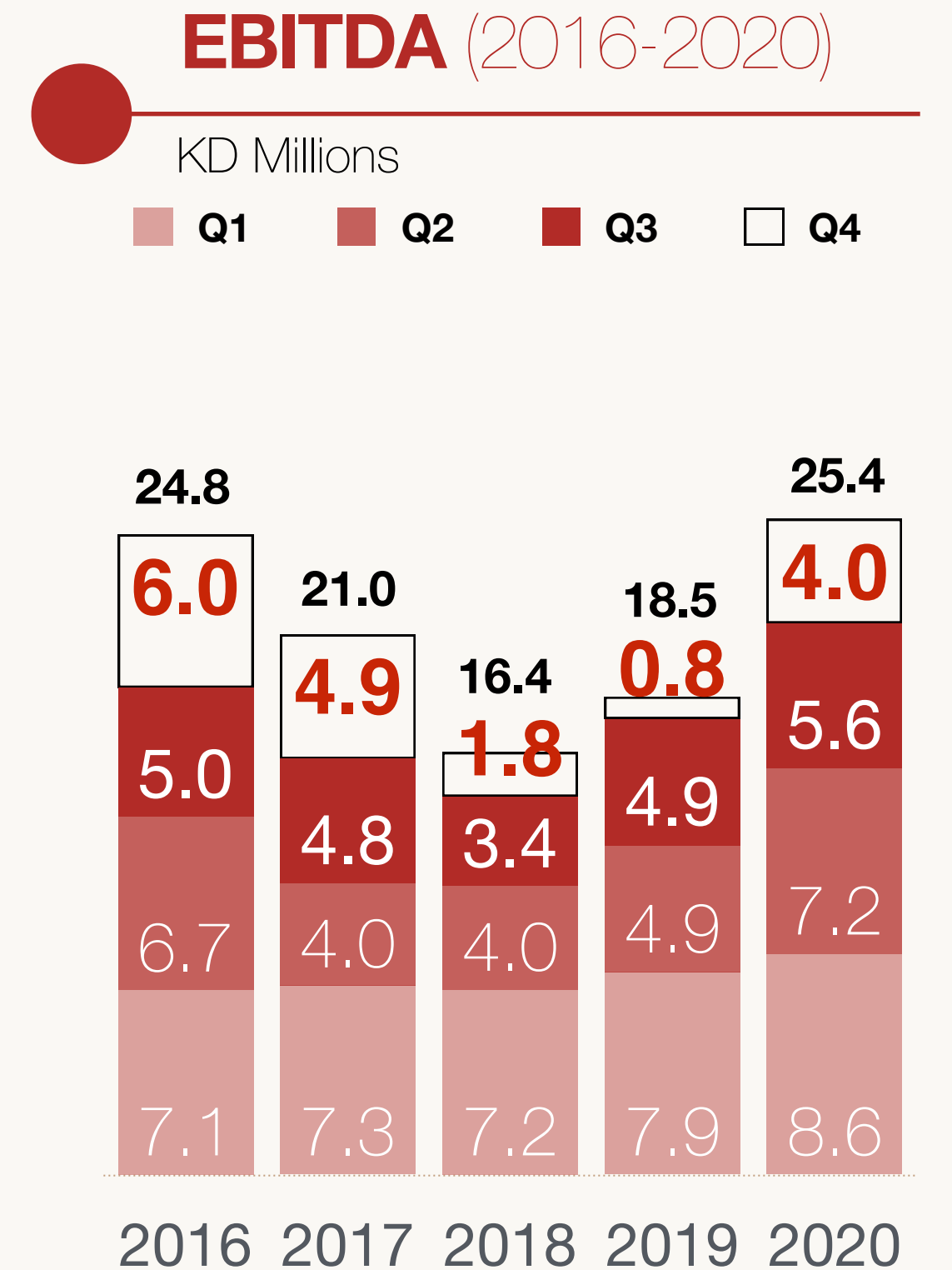


Mezzan Today: Earnings Highlights

KD Millions

	<u>4Q20</u>	<u>4Q19</u>	<i>% Diff</i>	<u>FY20</u>	<u>FY19</u>	<i>% Diff</i>
Revenue	52.0	52.7	-1.2%	246.4	222.5	+10.8%
Gross Profit	12.3	10.0	+22.2%	59.3	48.7	+21.7%
EBITDA	4.0	0.8	+378.1%	25.4	18.5	+36.9%
Net Income	1.0	-2.7	+137.7%	12.6	6.3	+98.7%
Net Profit	0.7	-3.5	+118.9%	10.9	5.6	+93.9%

*Attributable to
Equity Holders of
Parent Company*



Driven by expansion and cost cutting capex programs recently completed, EBITDA improved by **36.9%** in Q4 YTD on the back of higher gross profit and a reduction in general and administrative expenses.



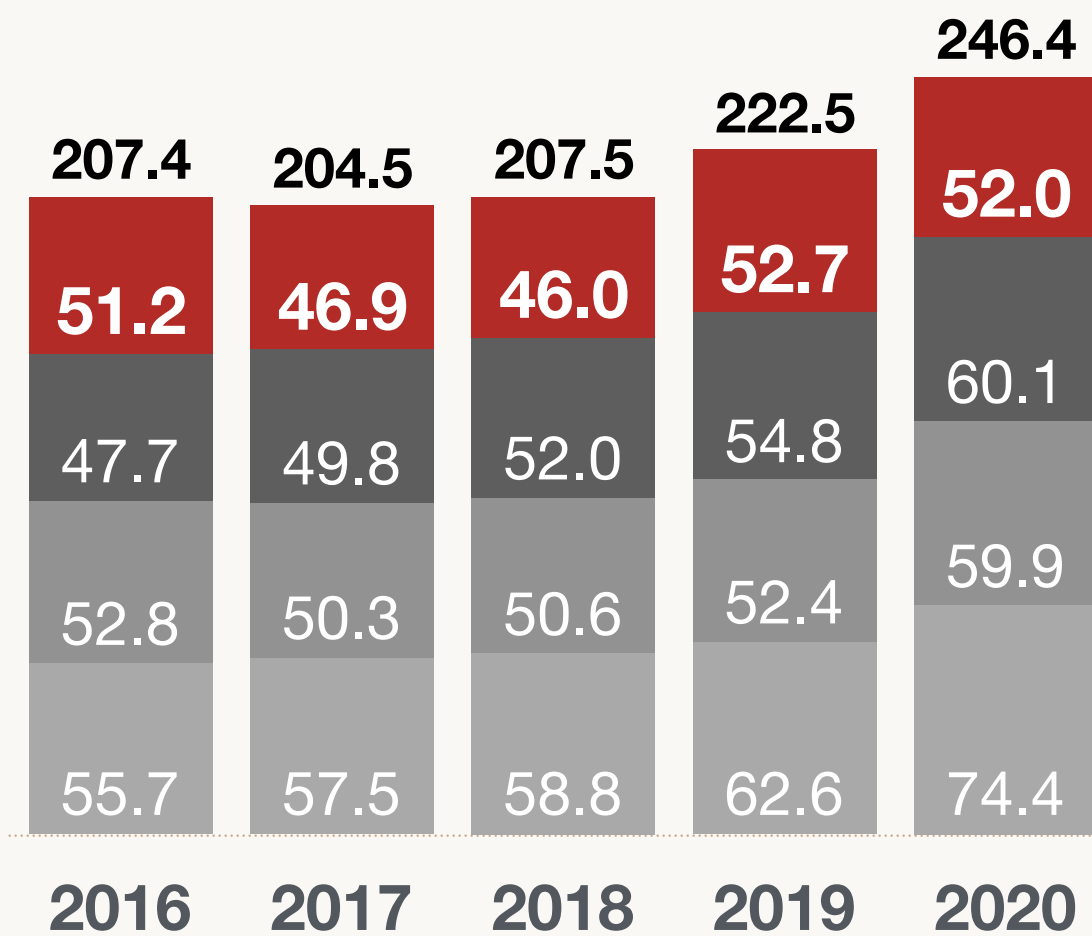


Mezzan Today: Historical Performance

KD Millions

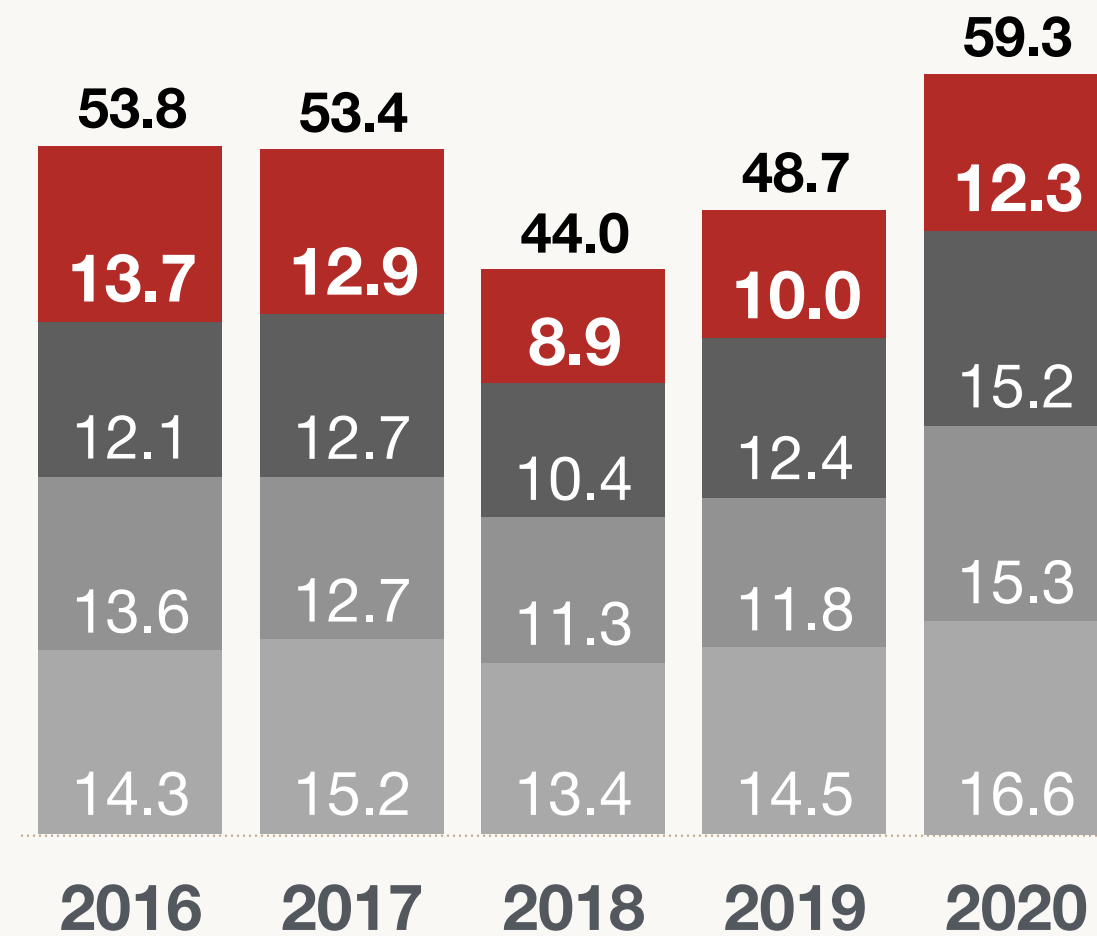
Revenue

Q1 Q2 Q3 Q4



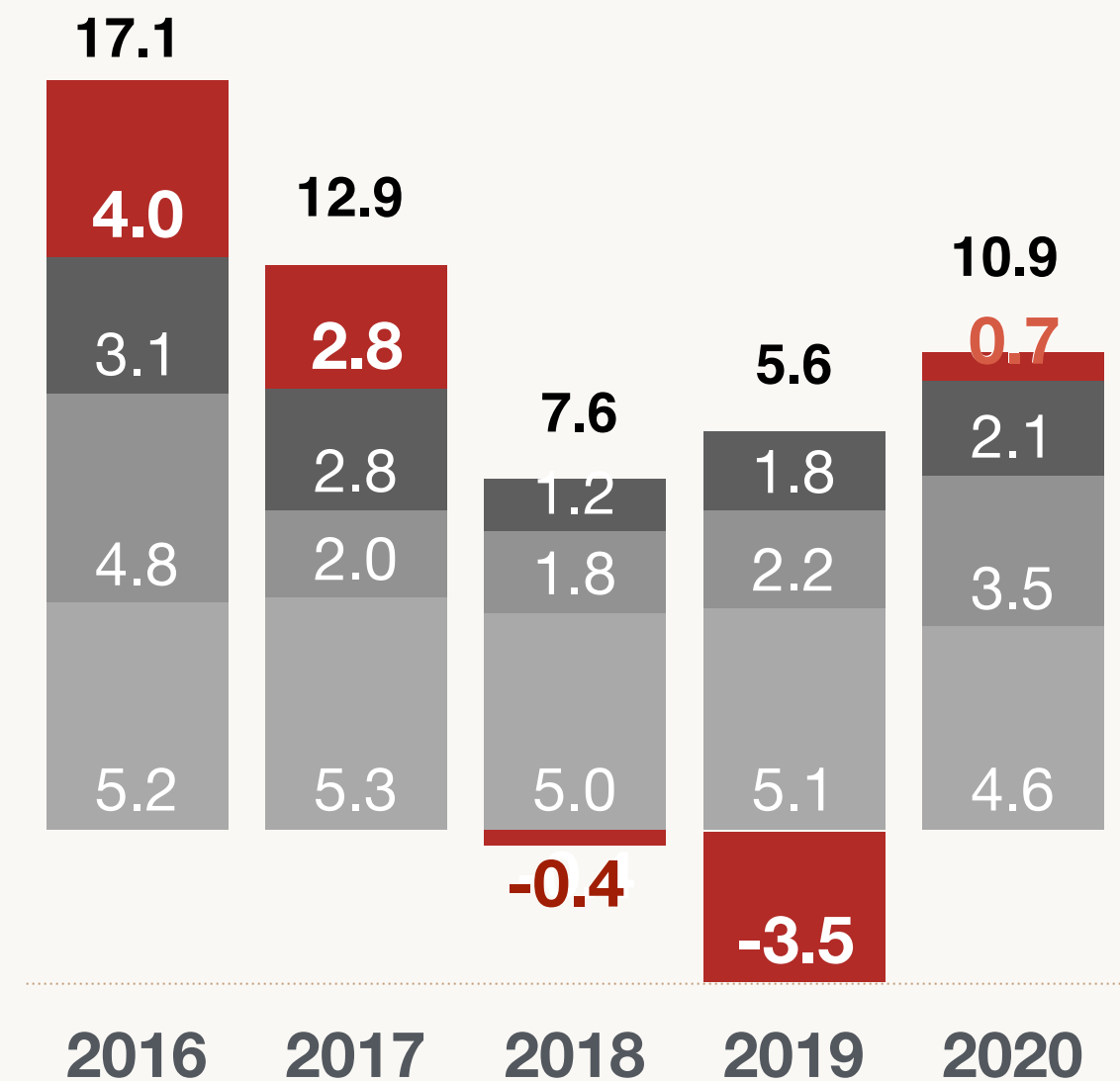
Gross Profit

Q1 Q2 Q3 Q4



Net Profit ^(a)

Q1 Q2 Q3 Q4



In Q4 YTD Revenue grew by **10.8%** as both the food and non-food segment displayed strong results. The growth was largely driven by Food M&D, Services as well as FMCG but constrained slightly by a slowdown in Qatar's Catering division.



In Q4 YTD Gross profit increased by a **21.7%**, while margins were at **24.1%**.



Net income improved compared to last year given an increase of the gross margin and a reduction of the finance costs for the period.

(a) Attributable to equity holders of parent company



Financial Review





FY2020 Revenue: Contribution by Business Line

FOOD REVENUE +3.2%

Vs.FY19



67.2%

Share of of total Group Revenue

NON-FOOD REVENUE +30.4%

Vs.FY19



32.8%

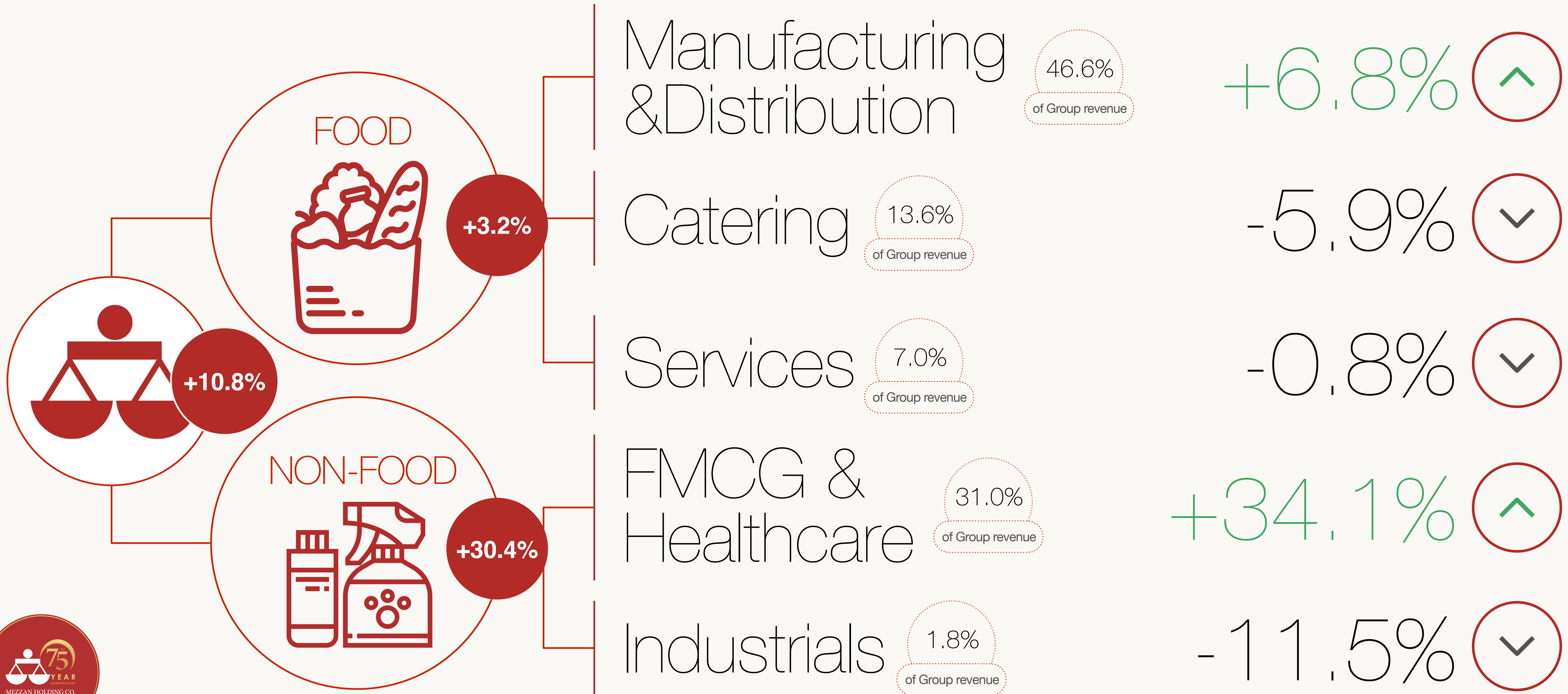
Share of of total Group Revenue





FY2020 Revenue: Growth by Business Division

Vs.FY19





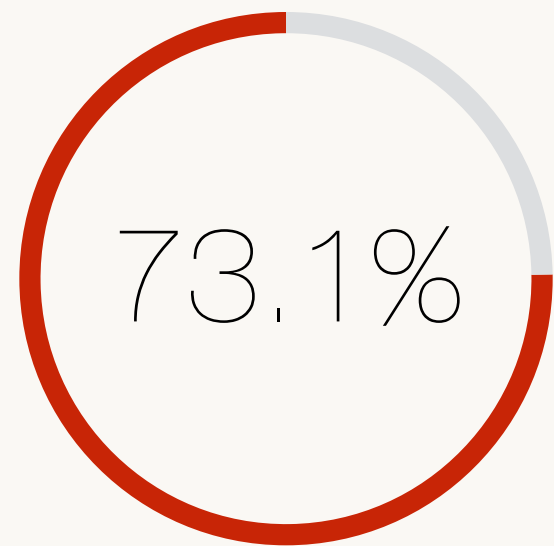
FY2020 Revenue: Contribution and Growth by Country


FY20

Vs.FY19

 Top-line Contribution


Kuwait



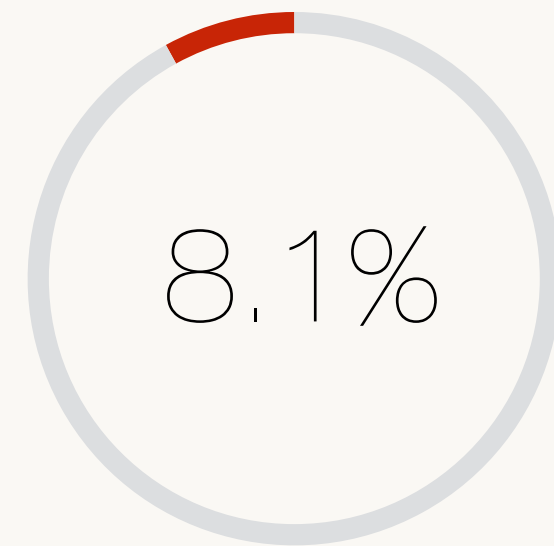

+16.7%

UAE




+2.1%


Qatar



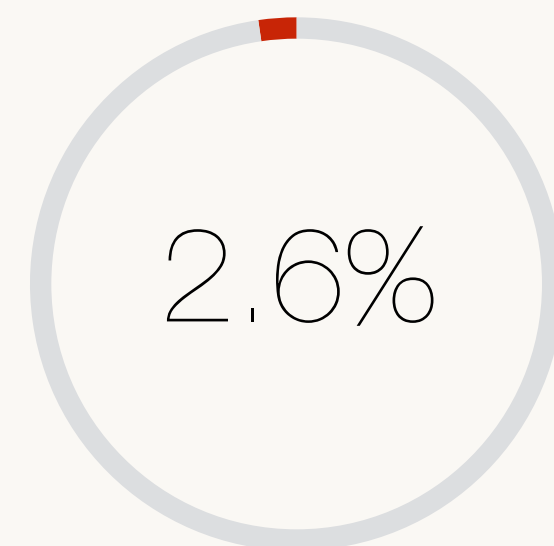

-12.1%


KSA



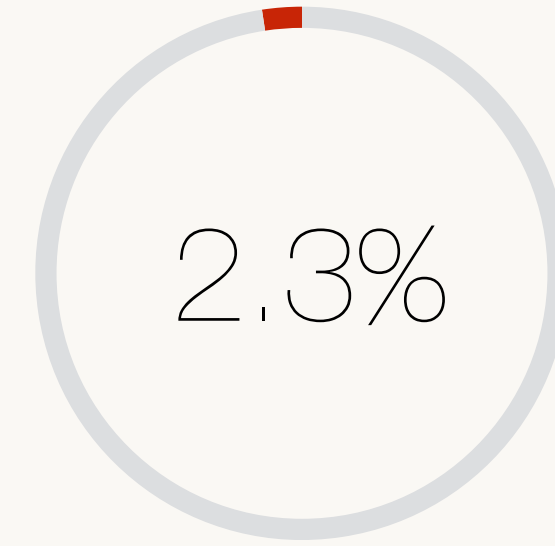

+7.0%


Jordan



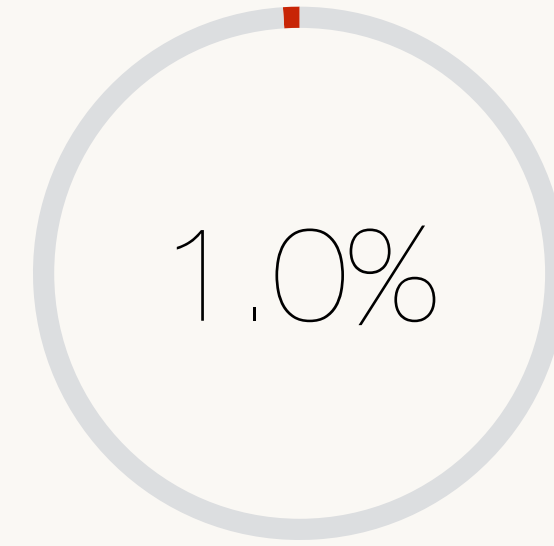

+14.4%


Afghanistan




-16.7%

Iraq




+17.7%





FY2020: P&L

KD Millions

	<u>4Q20</u>	<u>4Q19</u>	<i>% Diff</i>	<u>FY20</u>	<u>FY19</u>	<i>% Diff</i>
Revenue	52.0	52.7	-1.2%	246.4	222.5	+10.8%
Gross Margin	12.3	10.0	+22.2%	59.3	48.7	+21.7%
	GPM%					
	23.5%	19.0%		24.1%	21.9%	
SG&A	-9.8	-9.5	+3.6%	-42.2	-36.1	+17.0%
Others	-1.3	-3.4	-60.9%	-3.9	-6.1	-35.5%
Underlying profit before tax	1.1	-2.9	+137.3%	13.2	6.6	+100.5%
Tax	-0.1	0.2	+132.0%	-0.6	-0.2	+144.4%
Net Profit	1.0	-2.7	+137.7%	12.6	6.3	+98.7%
	NPM%					
	2.0%	-5.1%		5.1%	2.8%	
Net Profit to Shareholders	0.7	-3.5	+118.9%	10.9	5.6	+93.9%





FY2020: CASHFLOW

KD Millions

	FY2020	FY2019	<i>Diff</i>
Operating Cash Flow <i>before WC changes</i>	30.7	22.3	8.4
Working Capital	6.6	-11.4	18.0
Operating Cash Flow	37.3	10.9	26.4
CAPEX / Other investing activities	-6.0	-28.8	22.9
Cash Flow before financing	31.4	-17.9	49.2
Dividends / Financing / Other	-10.4	-10.4	-0.1
Decrease (Increase) in Net Debt	20.9	-28.3	49.2





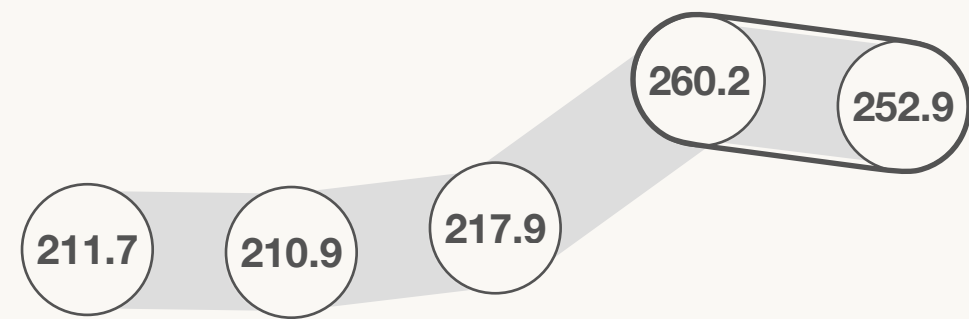
Balance Sheet as of Dec 31, 2020

KD Millions

Total Assets

KD Millions

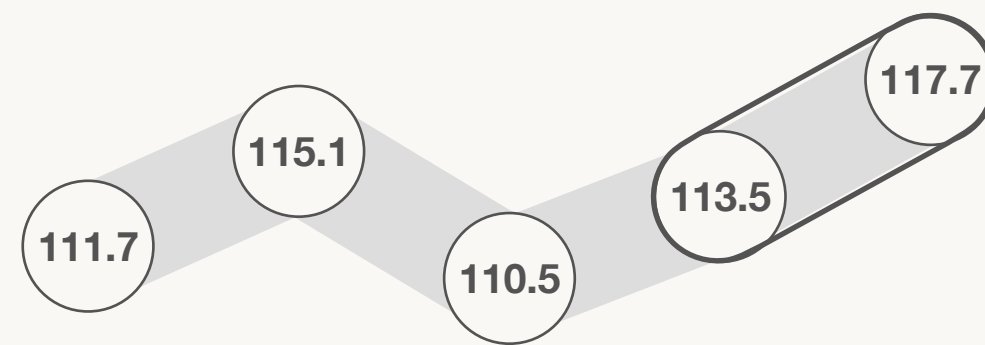
Growth from previous period driven by acquisition and growth



2016 2017 2018 2019 2020

Equity

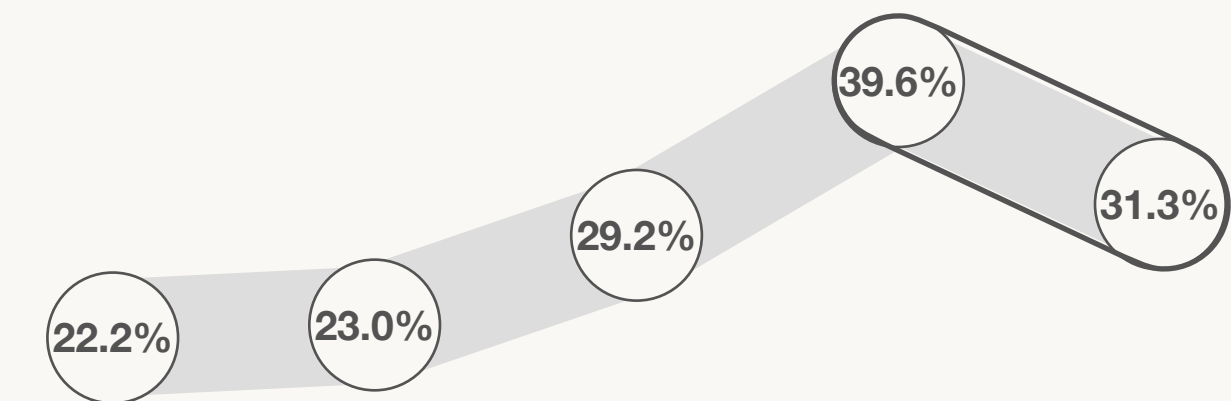
KD Millions



2016 2017 2018 2019 2020

Net Debt to Capitalization

%



2016 2017 2018 2019 2020



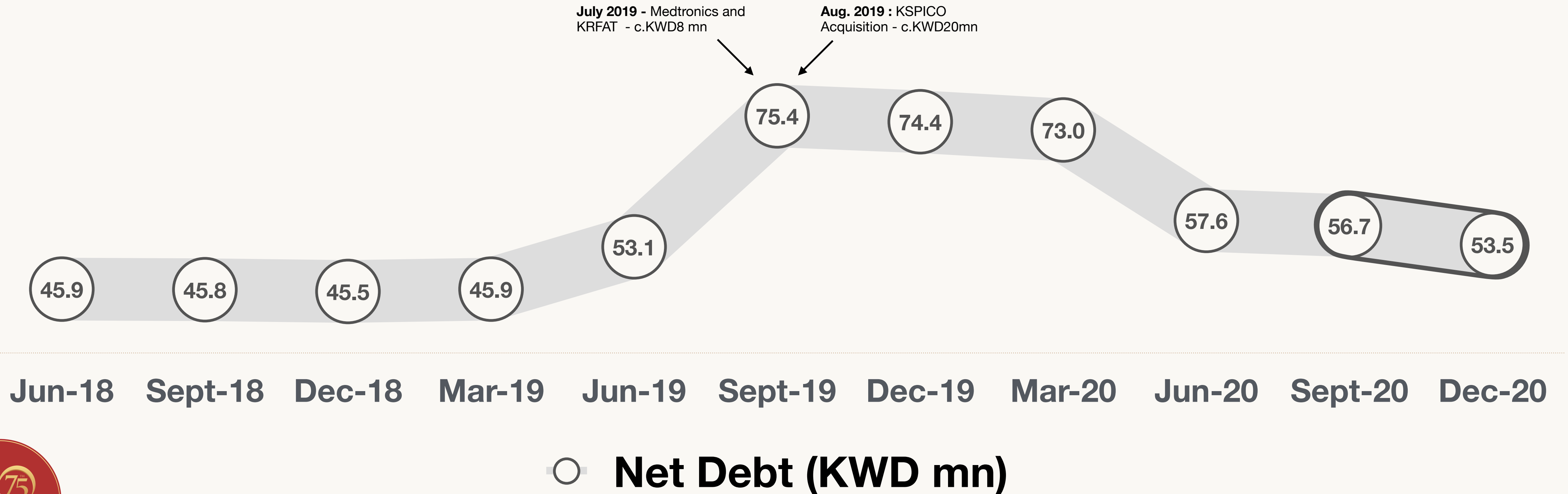


Net Debt as of Dec 31, 2020

KD Millions



As of 31 December 2020, Net Debt stood at c.KWD 53.5mn for a Net Debt / EBITDA(a) of 2.1x. Down by c. KWD 20.9 mn from Dec 2019 levels (Net Debt/EBOTDA was 4.0x)



(a) Last Twelve Months EBITDA



Q&A





Investor Relations Contact

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