



## مع الاستهلاك

Sector: **Consumers**

# Q2 2015 Earnings Webcast

**July 30, 2015**

## 1400hrs Kuwait Time

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# Today's Agenda

- Q2 & H1 Financial Results
- Company Overview
- H1 Business Highlights
- H1 Financial Overview
- Q&A

## Q2 2015 Financial Results

**Revenue** KD 51.6 m +15.1%

**Underlying Profit** KD 4.9 m +10.1%

Underlying = ( Net profit excluding KLOC insurance claim,  
impairment and profit on sales of assets )

**Net Profit** KD 7.3 m +66.4%





## H1 2015 Financial Results

**Revenue** KD 104.5 m +12.8%

**Underlying Profit** KD 10.5 m +14.8%

Underlying = ( Net profit excluding KLOC insurance claim,  
impairment and profit on sales of assets )

**Net Profit** KD 12.8 m +45.5%







# Company Overview



MEZZAN HOLDING



Operate in 7 Countries

358+ Brands

25,000+ SKUs

Catering 100,000+ Meals/day

130,000 sqm In Manufacturing Facilities

#1

#1 Canned tuna in Kuwait

#1

#1 Bottled water supplier in Qatar

#1

#1 Energy drink in UAE

#1

#1 In white cheese and butter categories in Kuwait, and ranks top 3 in other dairy and cheese categories

#1

#1 Rice supplier in Kuwait, and a leader in essential food items

#1

#1 Chips brand in Kuwait

#1

#1 In turkey products, and ranks among top 3 in other Halal meat categories

#1

#1 Cleaning products supplier in Kuwait



## H1 Business Highlights

- **In UAE:** We completed the construction of a new Kettle Cooked Chips line with an annual production capacity of 2.1 million units. The company started selling Kettle Cooked Chips in the UAE in May.
- **In Qatar:** A new water bottling production line was introduced, lifting production capacity from 23,000 bottles an hour to 56,000 bottles an hour. Combined, Mezzan's bottled water brands, Dana and Aqua Gulf, have market leadership in the bottled water category in Qatar and this investment will further strengthen this position.
- **In Kuwait:**
  - A new contract-catering facility was launched, lifting the company's catering capacity from 10,000 meals a day to 20,000 meals a day.
  - The company started distributing Starbucks Coffee chilled products to cooperative and private supermarkets as part of a distribution agreement with Arla Foods.
  - Kuwait Lube Oil Company (KLOC), a fully-owned subsidiary, inaugurated a new refinery.
  - Planning Permission received for a new food distribution centre.
- **In Iraq:** The Company launched new retail stores under the auspices of the United Nations World Food Program in Erbil and Dohuk.
- **In KSA:** The company completed the construction of a new warehouse to strengthen its distribution network in the Kingdom and the Gulf region.





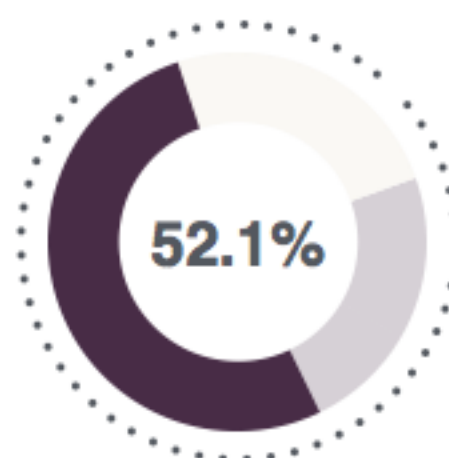
# Financial Overview

## Q2 2015 Revenue Segmentation and Discussion

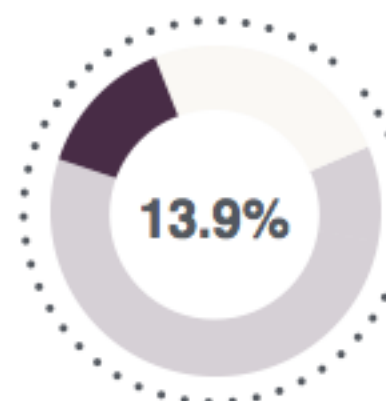
### Food Business Line



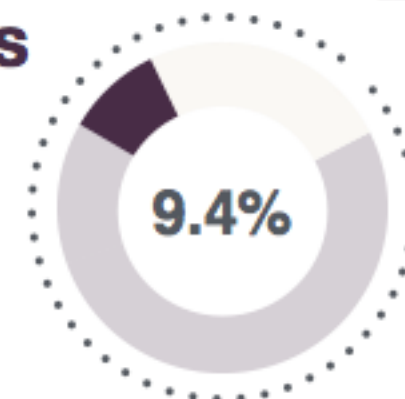
Food Business Line:  
**Manufacturing  
Distribution**



Food Business Line:  
**Catering**



Food Business Line:  
**Services**



Revenue contribution to total Group revenue as of June 30, 2015

**Food Business Line revenue: KD38.9 m, an increase of 18.2% compared with the same period in 2014.**

**Manufacturing and Distribution:** Manufacturing and Distribution revenues increased 12.6%, driven by growth in our key operating units.

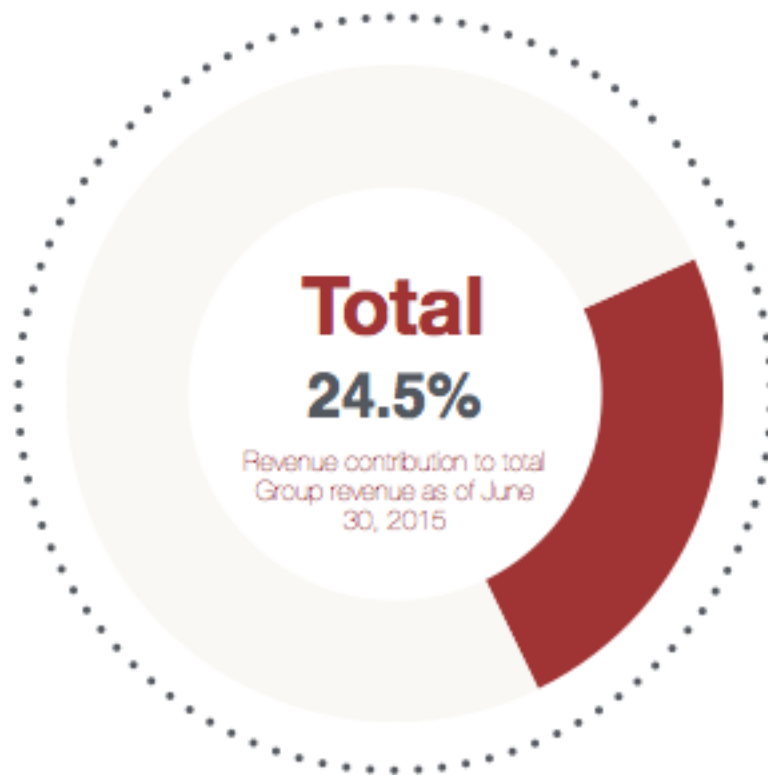
**Catering:** Catering revenues increased by 6.0%. The division has a stable outlook following the award of various long-term contracts in Qatar, Kuwait and UAE.

**Services:** Services revenues increased by 112.2%. This is a tender business driven by contracts with the United Nations World Food Program. We anticipate maintenance of the current level of business.

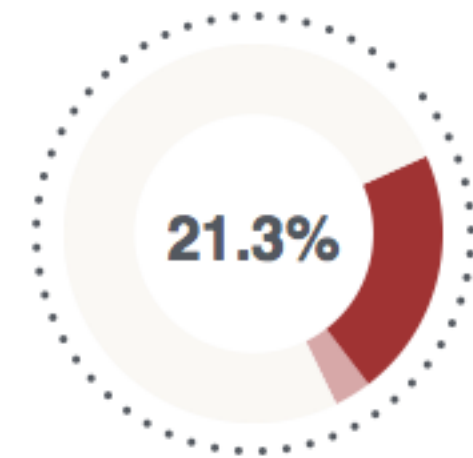


## Q2 2015 Revenue Segmentation and Discussion

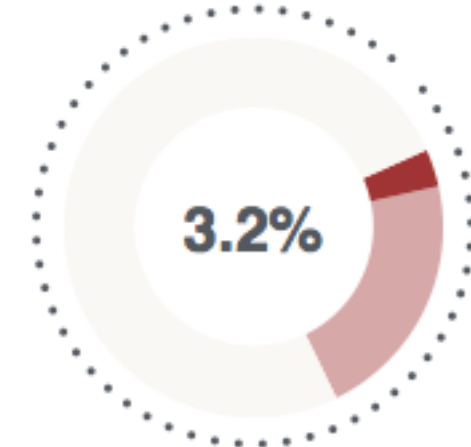
### Non Food Business Line



Non Food Business Line:  
**FMCG and Pharma**



Non Food Business Line:  
**Industrials**



Revenue contribution to total Group revenue as of June 30, 2015

**Non-Food Business Line revenue: KD12.7 m, an increase of 6.9% compared with the same period in 2014**

**FMCG and Pharmaceuticals:** FMCG and pharmaceuticals revenues are up 9.7%. Our Core partnerships performed in line with expectations.

**Industrials:** Industrials revenues declined 8.2% as KLOC continue to be in its rebuilding process. The remaining divisions have seen growth in line with expectations as they support Mezzan Holding's other divisions as part of the vertical integration model.

## Balance Sheet Highlights as of June 30, 2015

Operating Cashflow  
pre Working Capital Changes

KD 16.3 m + KD 4.3 m

Working Capital Days

92.5 Days, Improvement  
of 7.6 Days

Capex to Revenue

3.1% - KD3.2 m

Equity

KD92.9 m + 7.8%

Net Debt to Equity

KD33.9m, 36.4%.  
Dividend Paid KD8.7 m



# Q&A





# Key Contacts

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شركة ميزان القابضة  
MEZZAN HOLDING CO.



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