



شركة ميزان القابضة  
MEZZAN HOLDING CO.

Q3 2015 Earnings Webcast

Nov 5, 2015

**Starting shortly...**



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MEZZAN HOLDING CO.



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# Today's Agenda

- Company Overview
- Revenue by Country and Business Highlights (YTD)
- Q3 2015 Revenue Segmentation and Discussion
- Q&A





# Company Overview

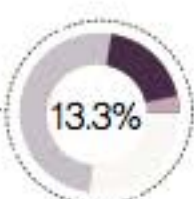


MEZZAN HOLDING

Services



Catering



Manufacturing  
and Distribution



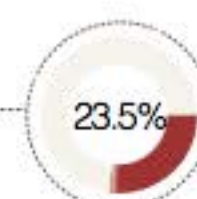
Food  
Business Line



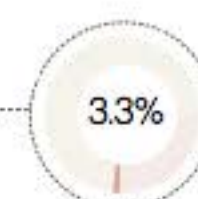
Non-Food  
Business Line



FMCG



Industrials



Operates 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

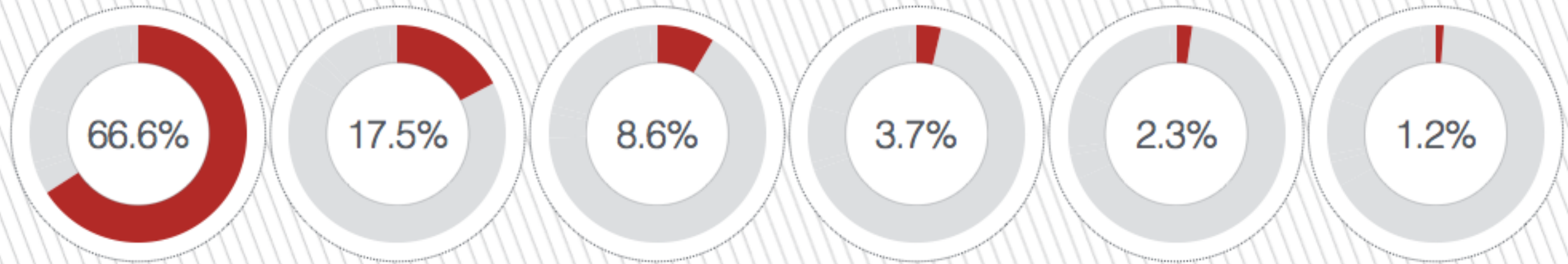
#1 In turkey  
products, and  
ranks among top 3  
in other Halal meat  
categories

#1

#1 Cleaning  
products  
supplier in  
Kuwait



## Revenue by Country and Business Highlights (YTD)



### Kuwait

Launched a nation-wide rebranding campaign for 'Al Wazzan' branded products.

Started exclusive distribution of Fiji bottled water, with strong consumer acceptance in the restaurant channel.

Completed new contract-catering facility, lifting the company's catering capacity from 10,000 meals a day to 20,000 meals a day.

Planning Permission received for a new food distribution centre.

### UAE

Kettle Cooked Chips continues to gain in distribution.

Signed an exclusive agreement with Formula Four Beverages Inc., a Canadian based manufacturer, to market and distribute oxygenated water with sales commencing in late Q4.

This is our first GCC wide distribution wide agreement.

### Qatar

We continue to increase utilization on the new water line, launched earlier in the year.

Combined, Mezzan's bottled water brands, Dana and Aqua Gulf, have market leadership in the bottled water category in Qatar and we expect that the investment in the new water line will further strengthen this position.

### Jordan

Jordan – We continue our support to the United Nations (UN) in providing relief efforts to refugees.

### Afghanistan

Performance in line with management expectations.

### Iraq

The Company launched new retail stores under the auspices of the United Nations World Food Program in Erbil and Dohuk.



## Revenue by Country and Business Highlights (YTD)

### New levels of marketing, activation, and branding activities in Kuwait and Dubai.

Strong results to date, and we expect impact will spill over in Q4 and Q1'16

**Press**



**Outdoor**



**Direct**



**In-store**



**Social**







## 9m 2015 Financial Results

**Revenue** KD 150.8 m +10.5%

**Underlying Profit** KD 13.6 m +16.5%

Net Insurance proceeds of KD2.2 m recorded in Q2 2015; Gain on sale of property of KD1 m, reported in Q3 2014; Benefit from an indemnity accrual reduction of KD0.4 m, recorded in Q3 2014; Settlement of KD0.7 m received as a result of a distribution agreement termination, recorded in Q3 2015.

**Net Profit** KD 16.5 m +27.3%





## Q3 2015 Financial Results

**Revenue** KD 46.3 m +5.6%

**Underlying Profit** KD 3.0 m +5.7%

Gain on sale of property of KD1 m, reported in Q3 2014; Benefit from an indemnity accrual reduction of KD0.4 m, recorded in Q3 2014; Settlement of KD0.7 m received as a result of a distribution agreement termination, recorded in Q3 2015.

**Net Profit** KD 3.7 m -11.2%



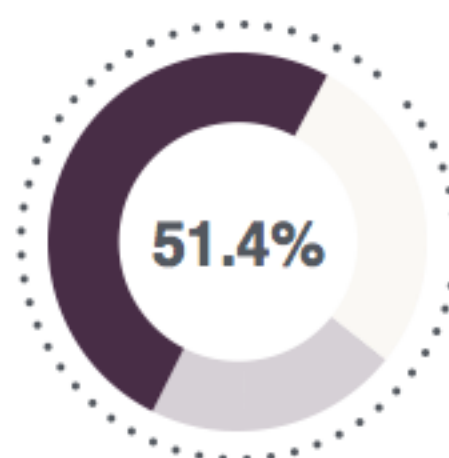


## Q3 2015 Revenue Segmentation and Discussion

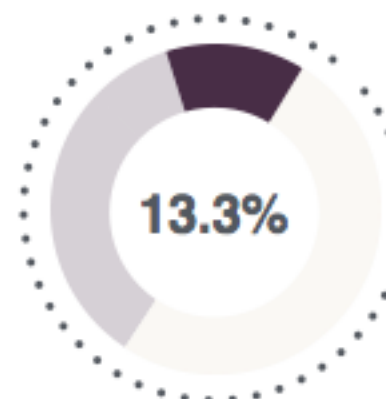
### Food Business Line



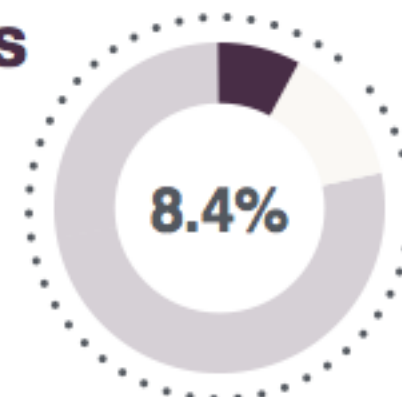
Food Business Line:  
**Manufacturing  
Distribution**



Food Business Line:  
**Catering**



Food Business Line:  
**Services**



Q3 Revenue contribution  
to total Group revenue

**Food Business Line revenue: KD33.9 m, an increase of 7.6% compared with the same period in 2014.**

**Manufacturing and Distribution:** Revenue increased 15.4%, driven by growth across our key operating units, in particular on our Al Wazzan and Khazan brands. Our partner brands also continue to perform well.

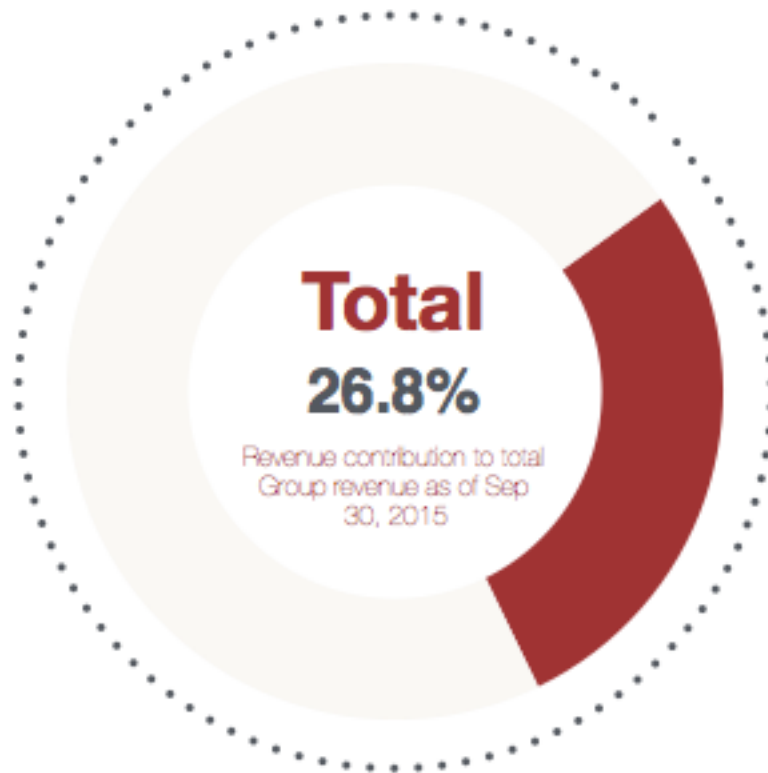
**Catering:** Revenue decreased by 1.8% due to the completion of long term contracts in Kuwait, offset by strong performance in Qatar and UAE. Recently won new contracts will come on stream in Kuwait in early 2016, while we expect Qatar and UAE to make continued progress.

**Services:** In line with widely publicized troop withdrawals in Afghanistan, we have seen a decline in Revenues in Afghanistan, but the performance is in line with our expectations. As indicated in previous communications, the nature of the tender business in Jordan and Iraq will result in quarterly fluctuations. Overall, Services Revenue declined by 14.5%.

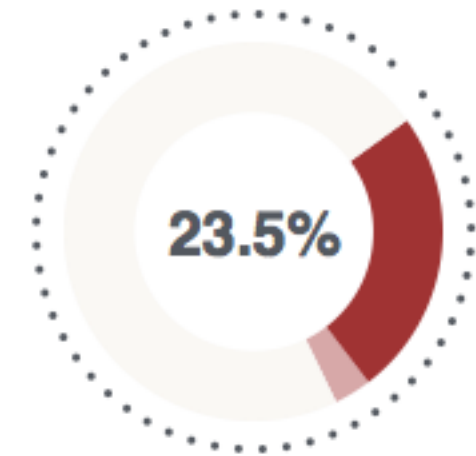


## Q3 2015 Revenue Segmentation and Discussion

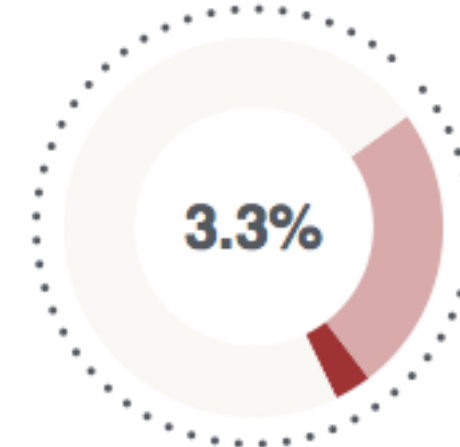
### Non Food Business Line



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



Non Food Business Line:  
**Industrials**



Q3 Revenue contribution to total Group revenue

**Non-Food Business Line revenue: KD12.4 m, an increase of 0.4% compared with the same period in 2014**

**FMCG and Pharmaceuticals:** Our core partnerships performed in line with expectations. During the quarter, the distribution agreement with one of our pharmaceutical agencies was terminated, due to the acquisition of their parent company, resulting in the receipt of a one-time settlement payment. Also, in our pharmaceuticals business, the harmonization of medicine prices across the GCC will act as a drag on Revenue in Q4. Nevertheless, we expect Q4 Revenue growth to be positive given new products and continuing strong performance in the rest of our FMCG business.

**Industrials:** Industrials revenues increased by 17.2% with plastics more than offsetting oil price-driven declines in KLOC.





## Q3 Balance Sheet Highlights

Operating Cashflow  
pre Working Capital Changes

KD21.9 m +KD5.1 m

Working Capital Days

95 Days, Improvement of  
9 Days

Capex to Revenue

CAPEX to revenues 2.9%  
+KD1.4 m

Equity

KD94.2 m +12.7%

Net Debt to Equity

KD32.1 m (34.1%)



# Q&A





# Key Contacts

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