

Q1 2016 Earnings Presentation

May 3, 2016





Today's Agenda

- Q1 Highlights
- 2016 Financials
- 2016 Outlook
- Q&A





Q1 Highlights

Q1 Tailwinds

- ✓ Broad-based growth across most product lines.
- ✓ Distribution gains in key product lines.
- ✓ Continued growth in market share.
- ✓ Double digit growth in water in Qatar.
- ✓ Successful tenders in Jordan.
- ✓ Danone won, and migrated to Mezzan.
- ✓ Continued strong performance from relaunch of key brands, driving double digit growth in tuna and rice.
- ✓ Catering contracts signed with KOC, KNPC

Q1 Headwinds

- Catering contracts gap.
- Discretionary products in UAE
- Slowing macro environment





Q1 Highlights

Best Q1 ever

Revenue / Quarter (KD m)





Financial Review

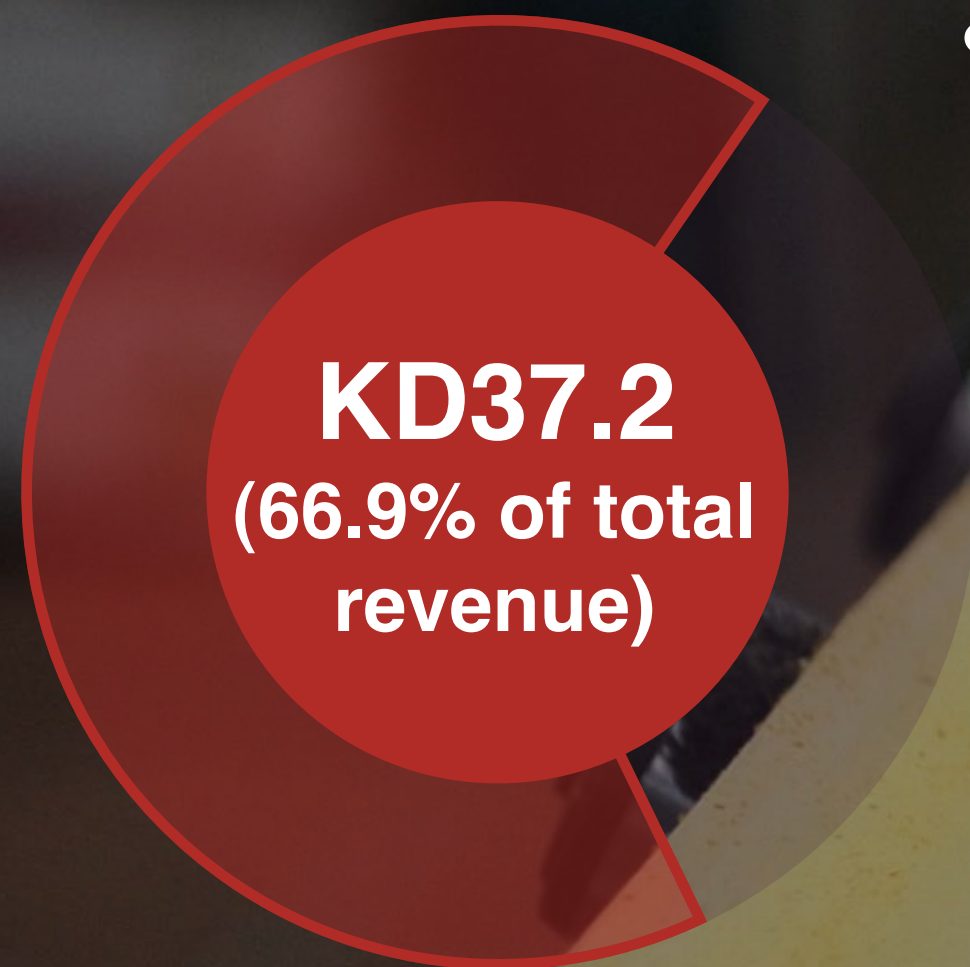


Q1 2016 Revenue Segmentation and Discussion

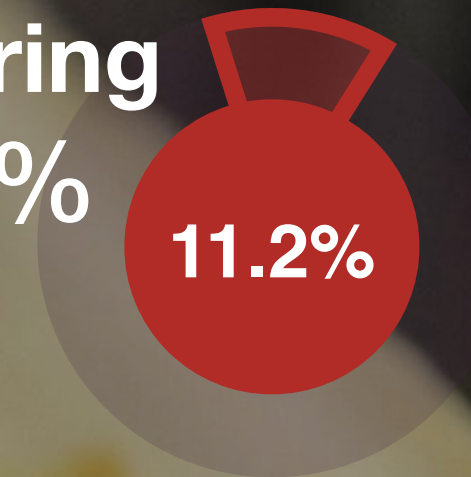
Red: Revenue contribution to total Group revenue in Q1 2016.

White: Revenue growth in Q1 2016.

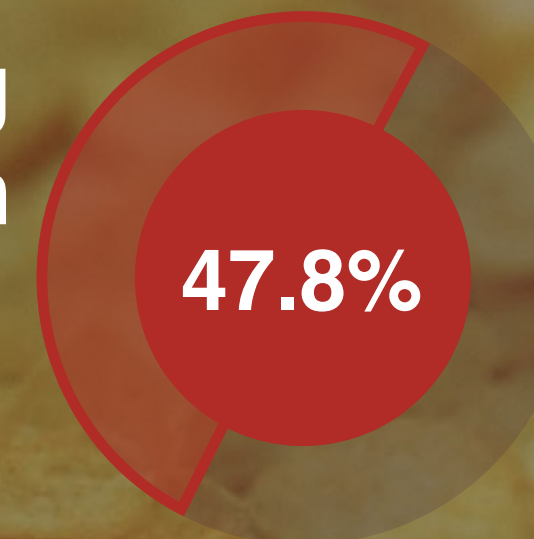
Food Business Line ↑ 2.7%



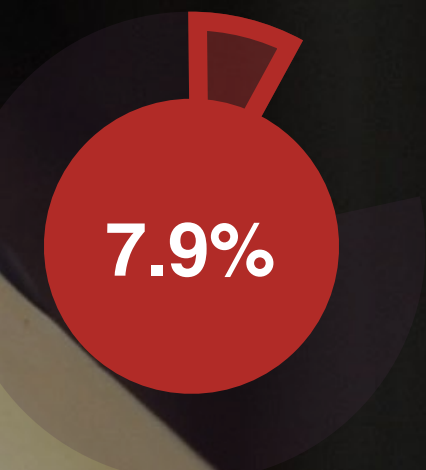
Catering -15.6%



Manufacturing Distribution ↑ 5.5%



Services ↑ 19.6%



Commentary

Manufacturing and Distribution : Q1 Revenue increased by 5.5% with broad based growth across most of our key operating units. This was largely driven by growth in company owned brands, rather than partner brands

Catering: Q1 Revenue decreased by 15.6% in line with expectations, due to the completion of long term contracts in Kuwait. Our catering businesses in Qatar and UAE both posted growth.

Services: Q1 Revenue increased by 19.6% driven by growth in Jordan, offset by declines in Afghanistan due to troop withdrawals. In Jordan, we successfully tendered for incremental new business with UN/WFP



Q1 2016 Revenue Segmentation and Discussion

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White: Revenue growth in Q1 2016.

Non Food Business Line

↑11.0%

FMCG and Pharma

↑12.5%

30.3%

Industrials

-2.7%

2.8%

KD18.4 m
(33.1% of total
revenue)

Commentary

FMCG and Pharma: Q1 Revenue grew by 12.5% as our key agencies in Kuwait started the year strongly. This was slightly offset by declines in our Pharmacy business as consumers cut back on discretionary spending.

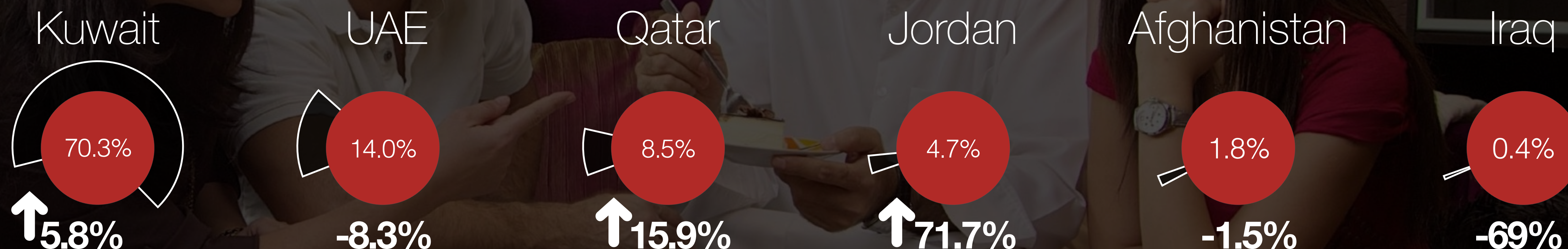
Industrials: Industrials declined by 2.7% driven by declines in KLOC, our oil refining business, which offset growth in our Plastics business.



Q1 2016 Revenue by country

Red: Revenue contribution to total Group revenue in Q1 2016.

White: Revenue growth in Q1 2016.



Commentary

Kuwait: Outside of Catering, all businesses in Kuwait posted growth - double digit growth in FMCG, strong growth in Food and Manufacturing businesses.

UAE: Q1 Revenue decreased by 8.3% as macro-economic headwinds impacted the discretionary part of our portfolio.

Qatar: Strong start to the year with double digit growth in both our Water and Catering businesses

Jordan: Exceptional growth as we successfully tendered for new business with UN/WFP

Afghanistan: Declines driven by troop withdrawals



Q1 2016 P&L (KD m)

| | | | |
|----------------------------|-----------|---------|--|
| Revenue | 55.7 | +5.3% | Growth in Food and Non-Food. |
| Gross Margin | 14.3 | +6.5% | Driven by Food Manufacturing and Distribution. |
| | GM% 25.7% | | |
| SG&A / Other | (8.4) | +10.4% | FX and phasing of Marketing spend. |
| Operating Profit | 5.9 | +1.4% | |
| Other | (0.3) | +54.4% | Finance Costs and BOD Fees. |
| Profit before tax | 5.6 | -0.6% | |
| Tax | (0.2) | +142.4% | NLST in 1Q 2016; none in 1Q 2015 pre-listing. |
| Net Profit | 5.3 | -3.1% | |
| | NP% 9.6% | -0.8% | |
| Net Profit to Shareholders | 5.2 | -4.8% | |





Q1 2016 Cash Flow & Balance Sheet (KD m)

| | | |
|---------------------------------------|-------|-------------------------------|
| Operating Cash Flow before WC changes | 7.4 | |
| Working Capital | (2.8) | Increases in AR and Inventory |
| Operating Cash Flow | 4.5 | |
| Capital / Other | (2.4) | Capex @ 4.4% of Revenue. |
| Cash Flow before financing | 2.1 | |
| Financing Costs / Other | (0.3) | |
| Decrease in Net Debt | 1.8 | |

Balance Sheet Highlights

| | | |
|--------------------|-------|-------------------------------------|
| Net Debt | 29.7 | KD 0.4 million lower than last year |
| Net Debt to Equity | 28.2% | |
| EBITDA / Net Debt | 1.1x | |

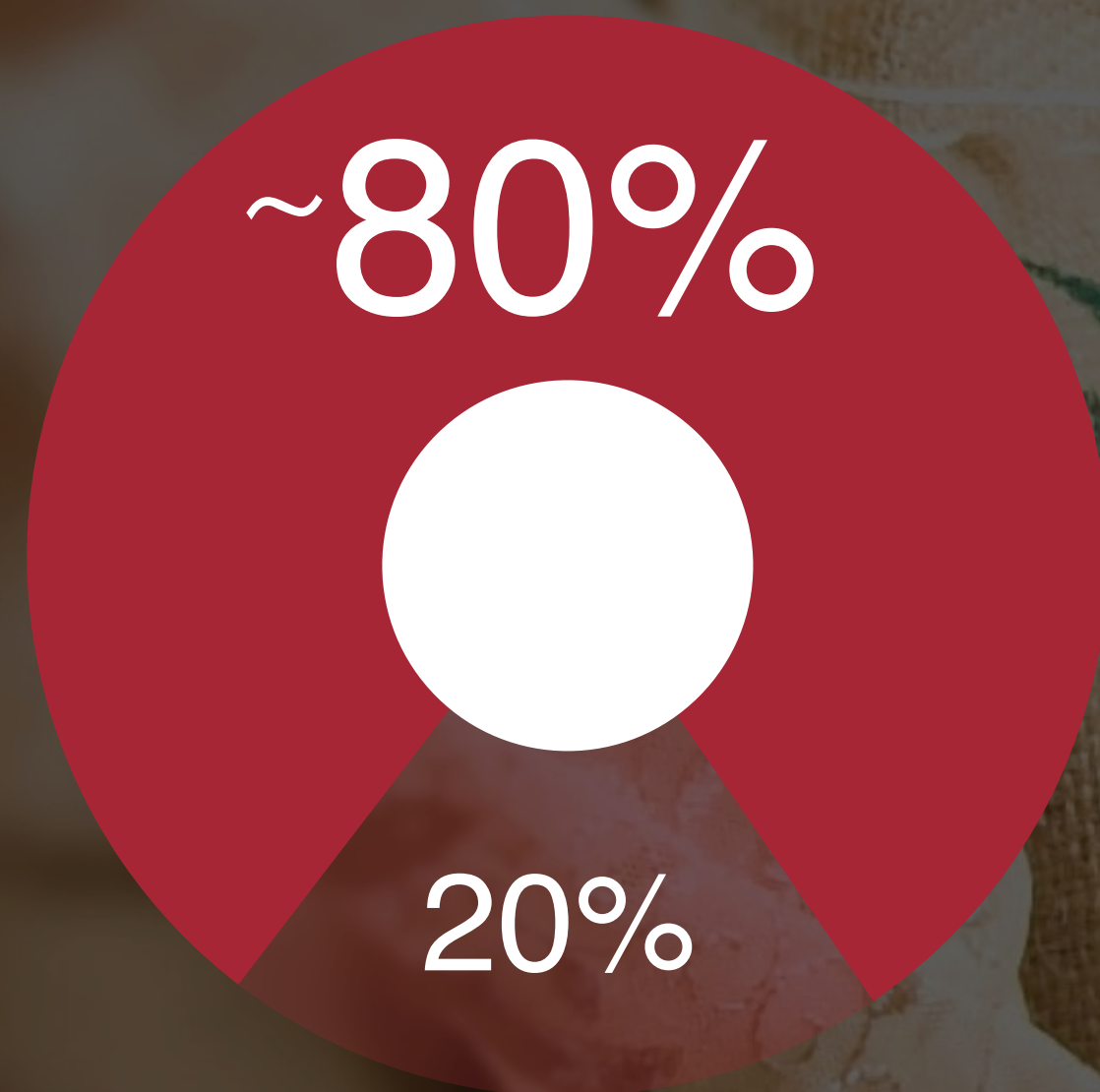




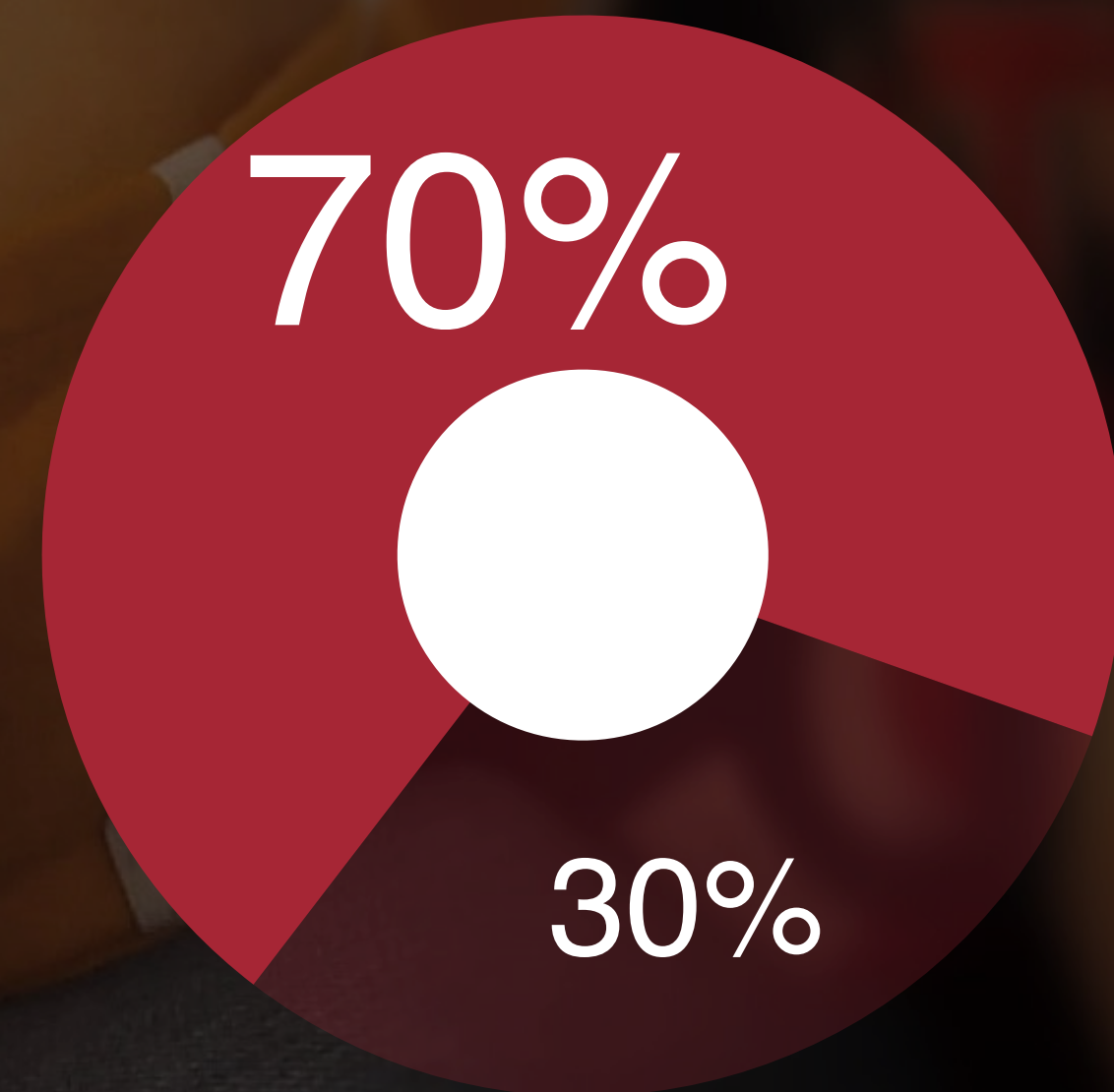
2016 Commentary and Outlook



Mezzan's portfolio is well-positioned



**Household staples
comprise ~80% of
product portfolio**



70% of revenue is generated from Kuwait, the most stable economy within MENA countries, and least affected by drop in oil prices



2016

HSD to LDD Growth

HSD to LDD Growth

~ 5% of Revenue





Thank you

On our one-year anniversary of the day we started public reporting, the Board and Management Team would like to thank the analysts and investors who have been diligently following and analysing our performance.

NBK Capital
Arqaam Capital
CITI BANK
Global Investment House

Thank you!





Q&A





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