



Date: 17/05/2022

Ref.: MHC/Disclosure/2022/037

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 Q1-2022

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 02:00 pm.

Attached is the PowerPoint presentation shared with of the Analysts and Investors at the Conference Call for the results of Q1-2022, noting that there was no material information disclosed on the Call.

Mezzan Holding Company KSCP

Group Legal Manager

Walid Ali Khalil



Disclosure of Material Information Form

Date	17/05/2022
Name of the Listed Company	Mezzan Holding Company KSCP
Material Information	Kindly note that Mezzan has held its Investors' Conference Call today at 02:00 pm. Attached is the PowerPoint presentation shared with the Analysts and Investors at the Conference Call for the results of Q1-2022, 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 2022 Earnings Presentation

May 17, 2022



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Agenda

- Tailwinds & Headwinds
- Q1 2021 Highlights
- Results
- Financial Review
- Q&A





Mezzan Today: Tailwinds

- Price increases implemented in KSA
- Continuing to progress in KSA & UAE markets
- KITCO (Salty Snacks) launch in Jordan is on track





Mezzan Today: Headwinds

- Cost inflation continues to increase sharply
- Kuwait pricing remained unchanged due to regulatory restraint
- Credit collection and payment issues in Qatar
- Maintenance and delay in KSPICO factory upgrade





Mezzan Today: Earnings Highlights

KD Millions

Revenue

Q1'22	Q1'21
72.5	73.4

% Diff

-1.2%

EBITDA

6.2	8.7
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-28.3%

Net Income

3.1	5.6
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-44.9%

Net Profit

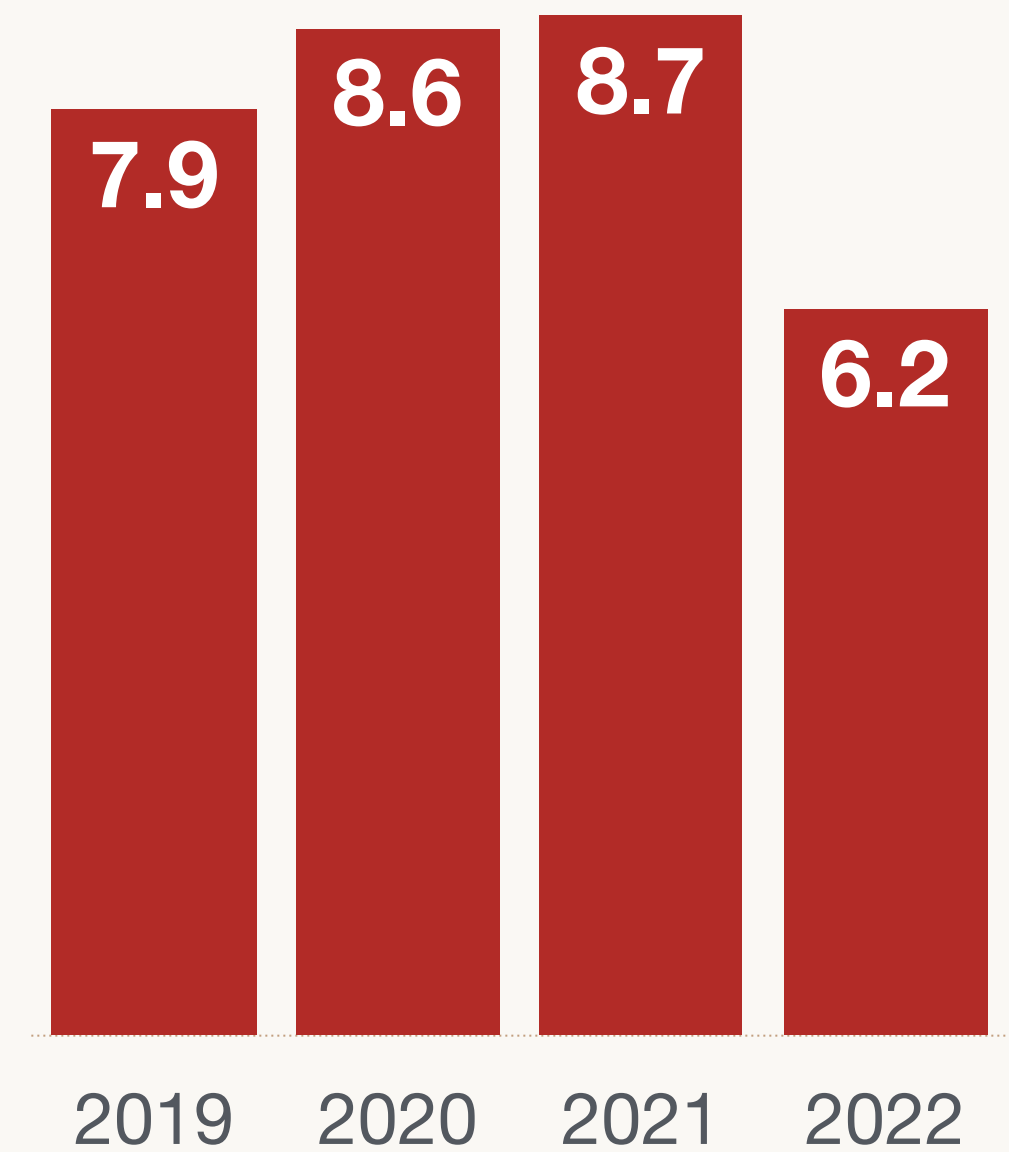
2.9	5.0
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-40.7%

Attributable to Equity Holders of Parent Company

Q1 EBITDA (2019-2022)

KD Millions



EBITDA:

Lower by 28.3% (KWD -2.4mn)

Driven by the decrease in Gross Profit and booking provision for doubtful debts.

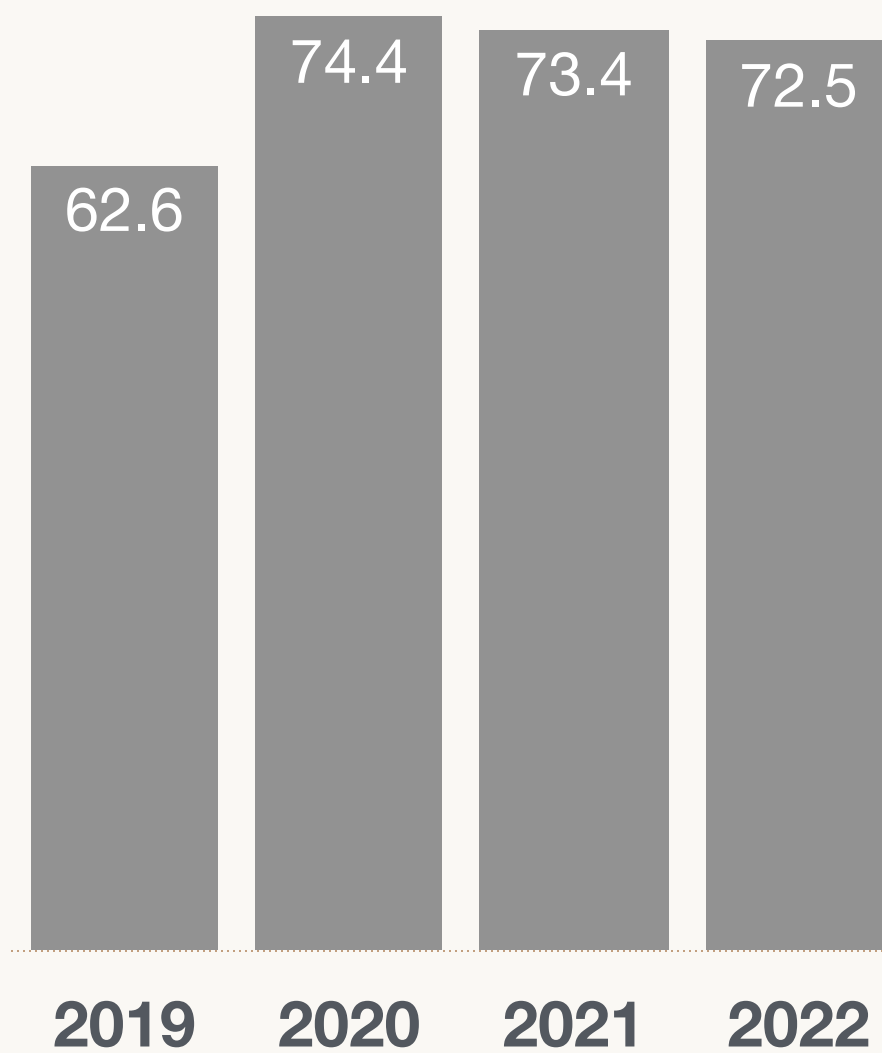




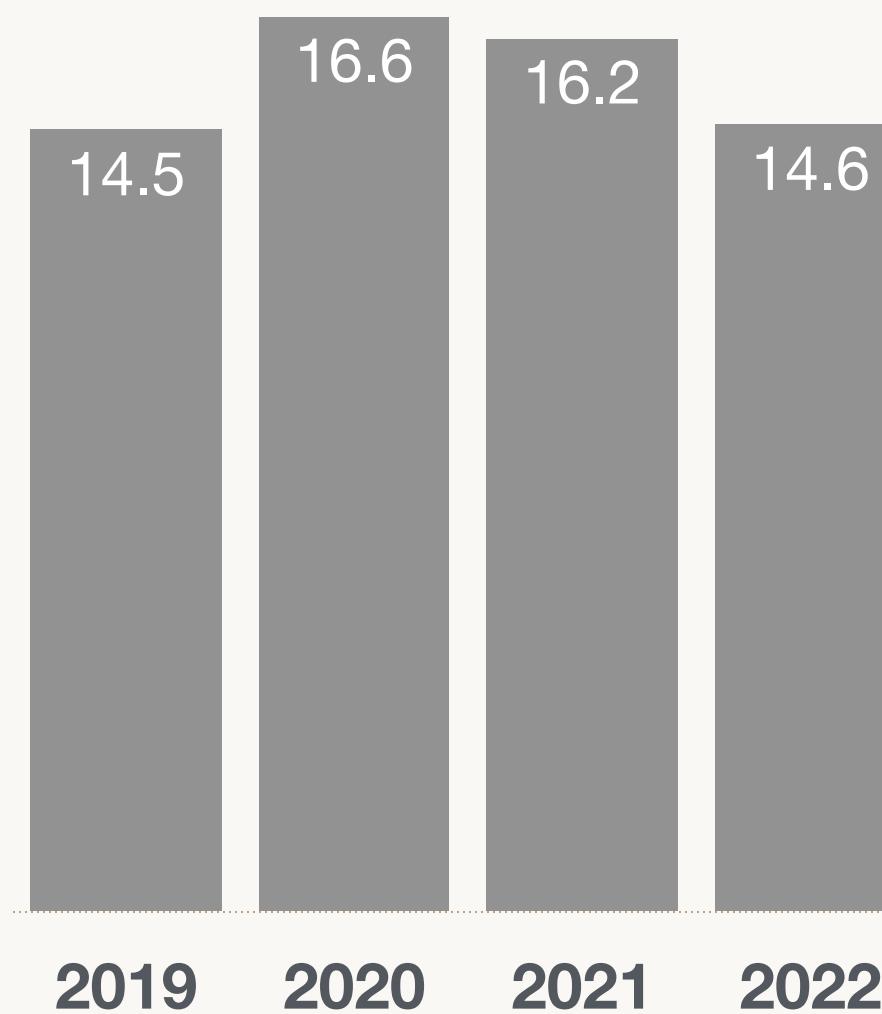
Mezzan Today: Q1 Historical Performance

KD Millions

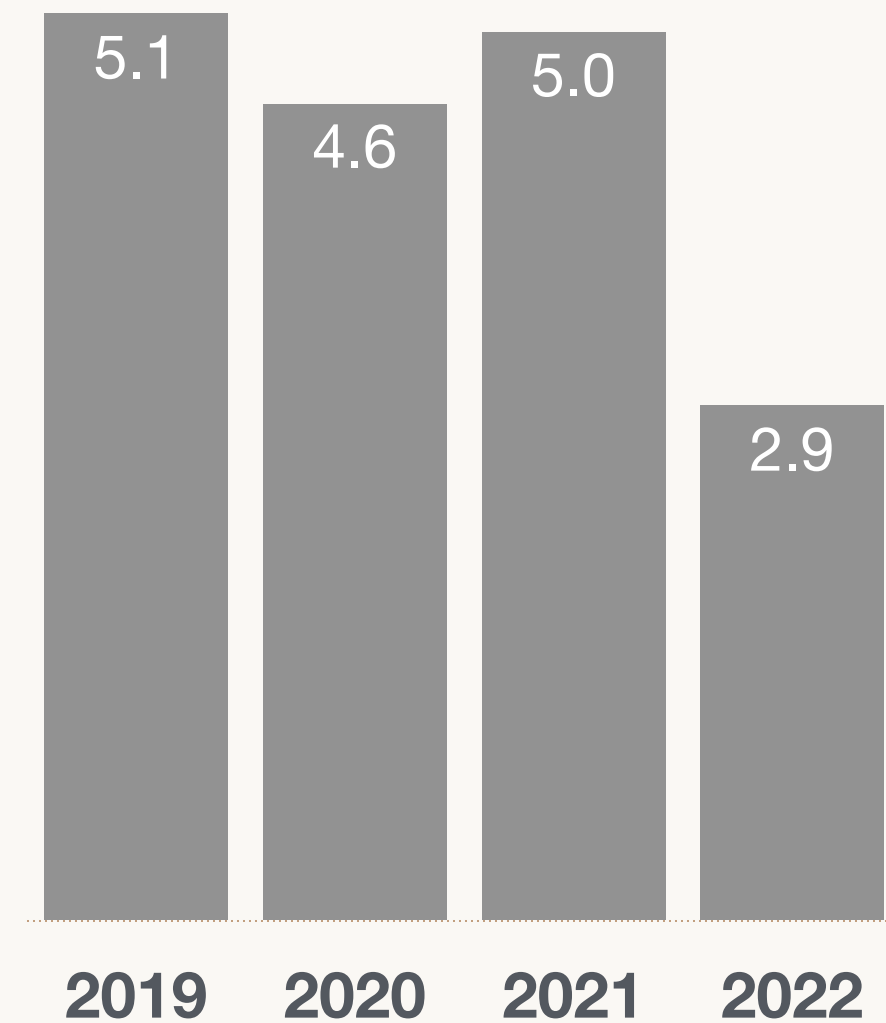
Q1 Revenue



Q1 Gross Profit



Q1 Net Profit



Financial Review



Q1'22 Revenue: Contribution by Business Line

FOOD REVENUE +2.7%

Vs.Q1'21



63.2%

Share of of total Group
Revenue

NON-FOOD REVENUE -7.3%

Vs.Q1'21



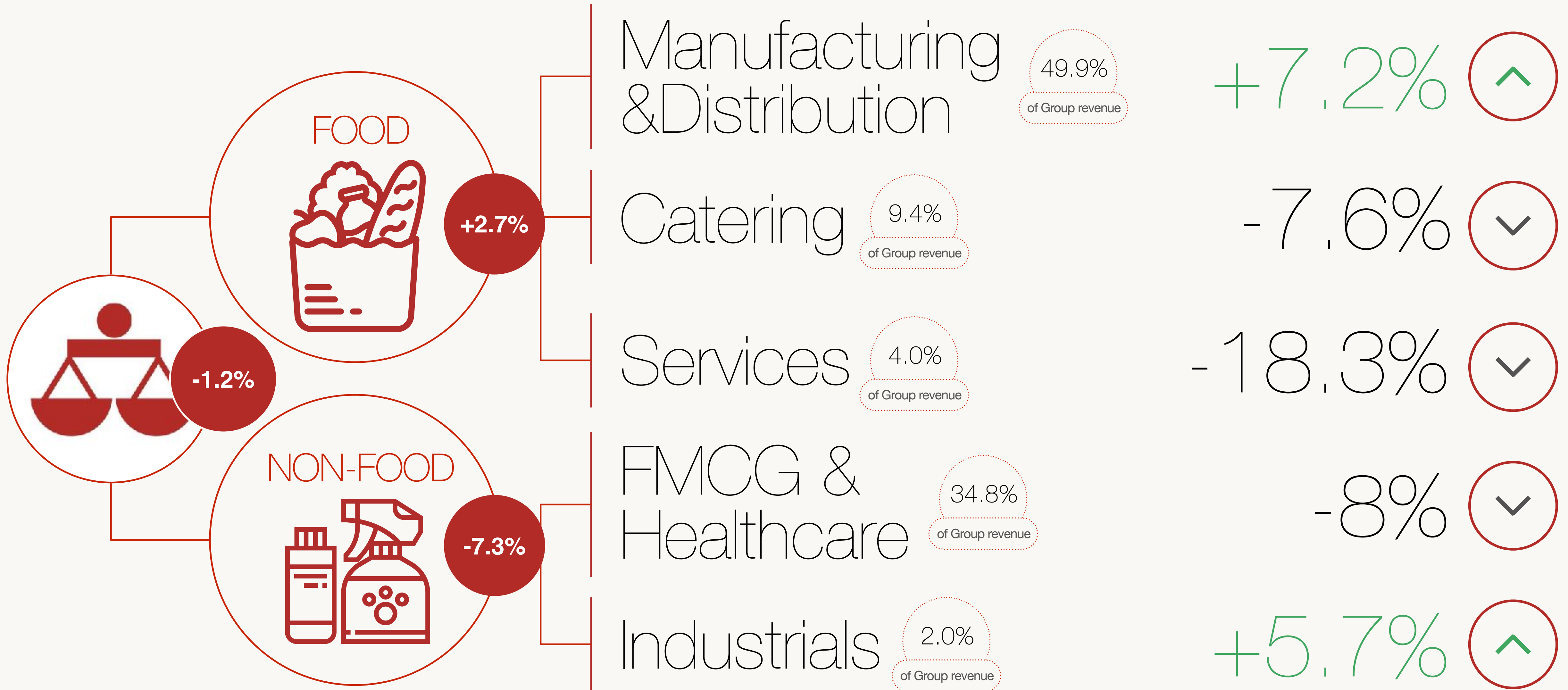
36.8%

Share of of total Group
Revenue



Q1'22 Revenue: Growth by Business Division

Vs.Q1'21



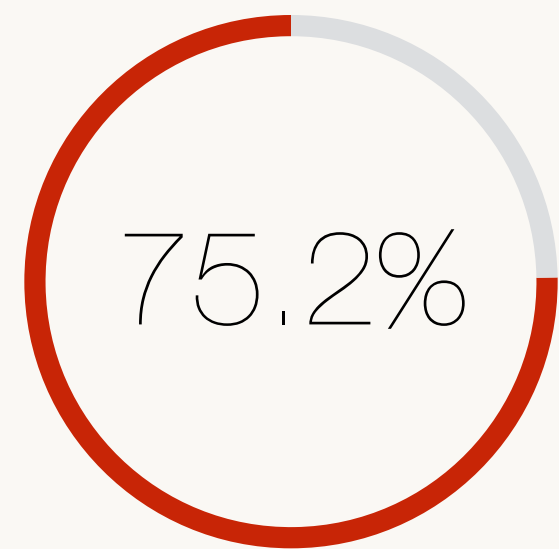



Q1'22 Revenue: Contribution and Growth by Country

 Top-line Contribution

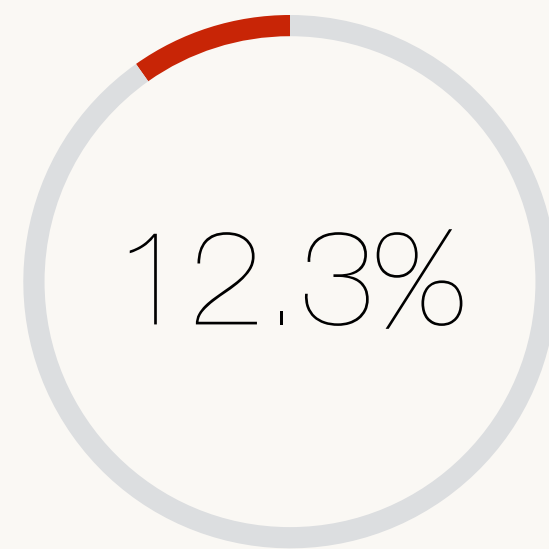
Vs.Q1'21


Kuwait



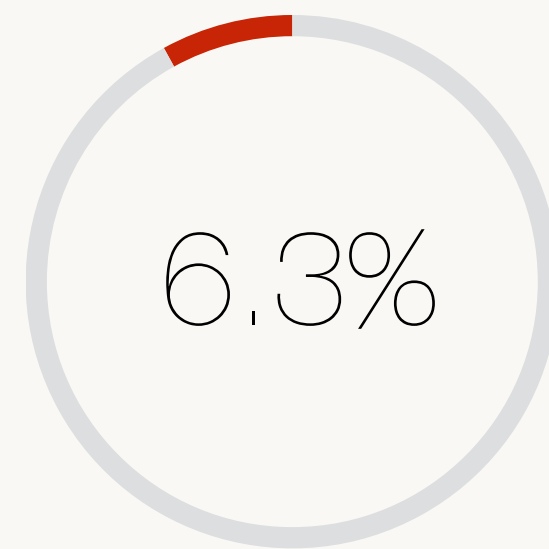

-4.8%


UAE



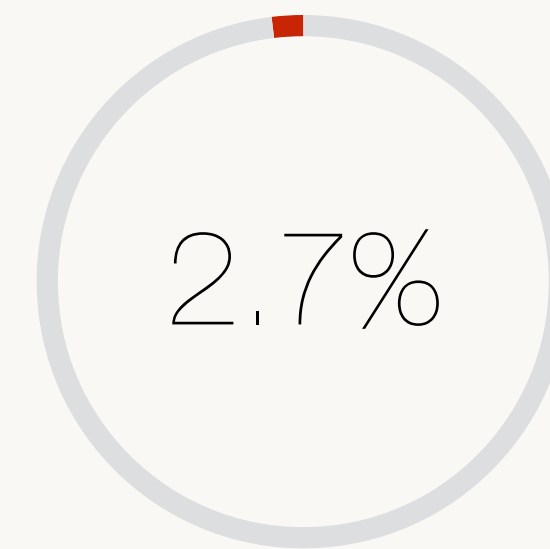

+21.7%


Qatar



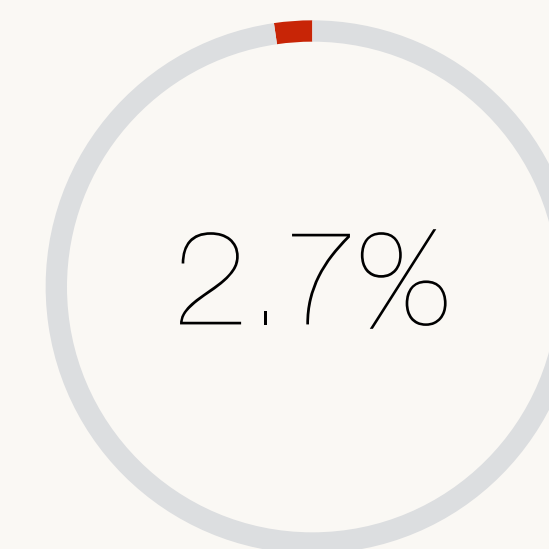

+4.1%


KSA



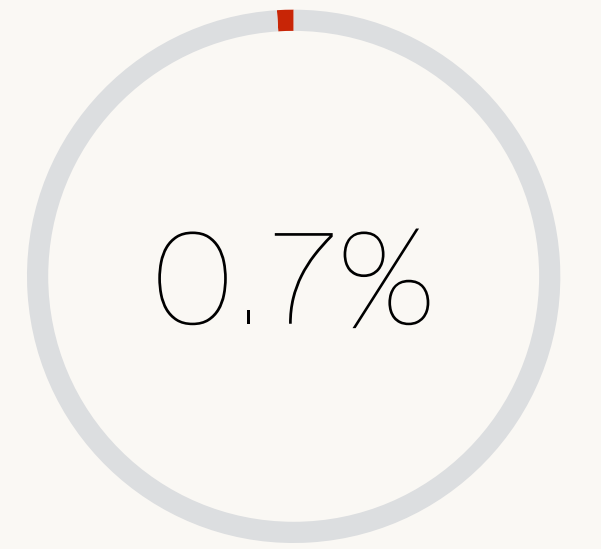

+36%


Jordan




+11%

Iraq




+2.4%





Q1'22: P&L

KD Millions

	<u>Q1'22</u>	<u>Q1'21</u>	<u>% Diff</u>
Revenue	72.5	73.4	-1.2%
Gross Margin	14.6	16.2	-10.1%
	<i>GM %</i>	<i>20.1%</i>	<i>22.1%</i>
SG&A / Other	-10.7	-9.8	9.4%
Operating Profit	3.9	6.4	-39.5%
Other	-0.7	-0.6	4.6%
Underlying Profit before Tax	3.2	5.8	-44.3%
Tax	-0.2	-0.2	32.4%
Underlying Net Profit	3.1	5.6	-44.9%
	<i>UNP %</i>	<i>4.2%</i>	<i>7.6%</i>
Net Profit Attributable to Shareholders	2.9	5.0	-40.7%



Gross Margin:

Lower by 10% (KWD -1.6mn) Gross Margin: 20.1% vs 22.1% = -2.0%.

Impacted by the severe setback in the global economic prospects

Passing rising costs to consumers to adjust surge of inflation, not executed yet.



Q1'22: CASHFLOW

KD Millions

	Q1'22	Q1'21	Diff
Operating Cashflow before WC changes	7.7	9.2	-1.5
Working Capital / Other	-2.0	-2.6	0.6
Operating Cashflow	5.7	6.6	-0.9
Capital / Other	-8.0	-1.5	-6.5
Cash flow before Financing	-2.3	5.1	-7.4
Dividends & Purchase of treasury shares	-1.5	-0.2	-1.3
Financing Costs / Other	-1.1	-1.0	-0.2
Cash flow after Financing	-5.0	3.9	-8.9
YTD Change in Net Debt	-5.0	3.9	-8.9
Net (decrease) increase in cash and cash equivalents	-3.5	3.1	-6.6
Loans and borrowings	1.5	-0.8	2.3
Cash and cash equivalents at 1 January 2022	15.4	16.3	-0.9
Cash and cash equivalents at March 31th 2022	11.9	19.4	-7.5



Lower operating cash flow driven by lower net profit and higher capital spend.

Net Capital Spent (Capex) of KD 8 mn for YTD'22

Cash in hand as of March 2022: Decreased by KWD 7.5mn v LY.

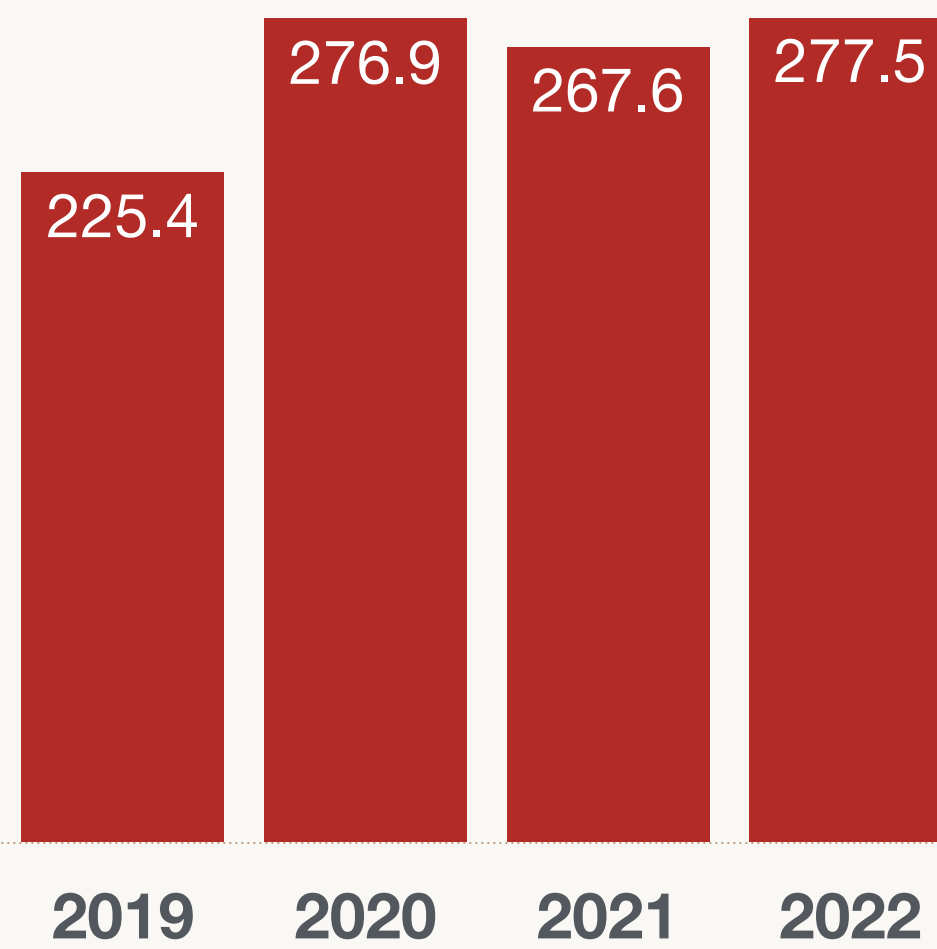


Balance Sheet as of March 31, 2022

KD Millions

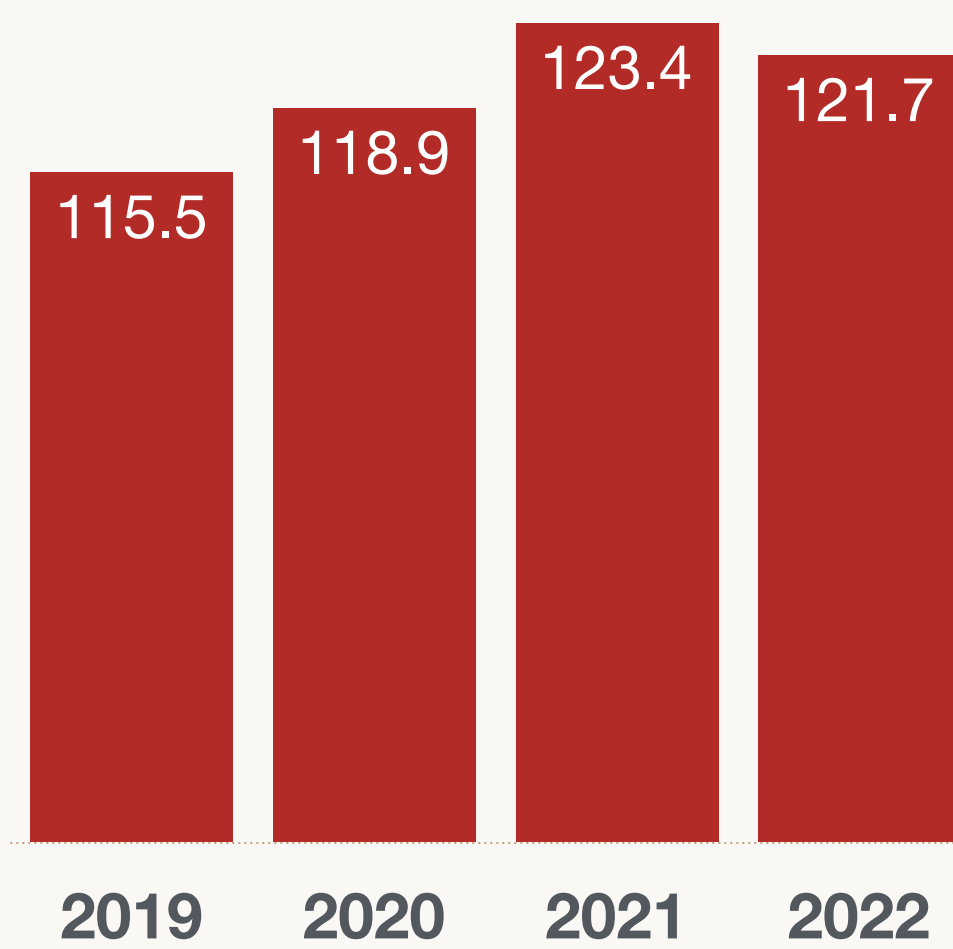
Total Assets

KD Millions



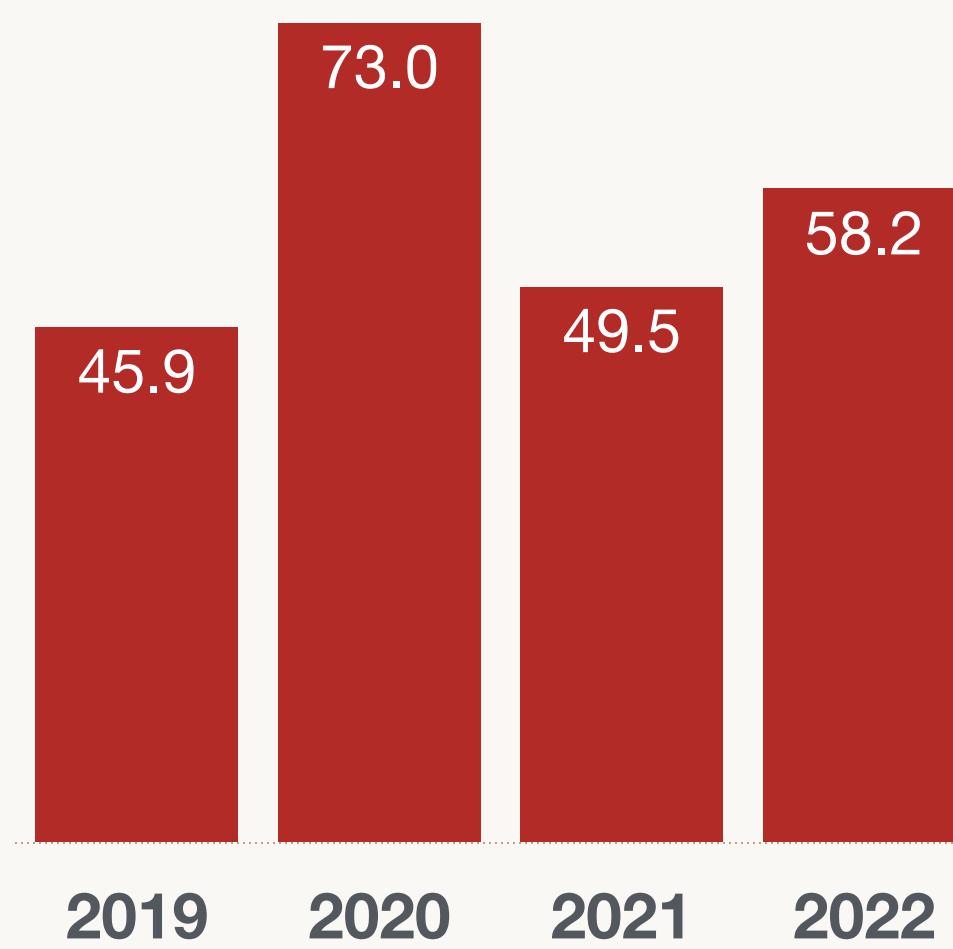
Equity

KD Millions



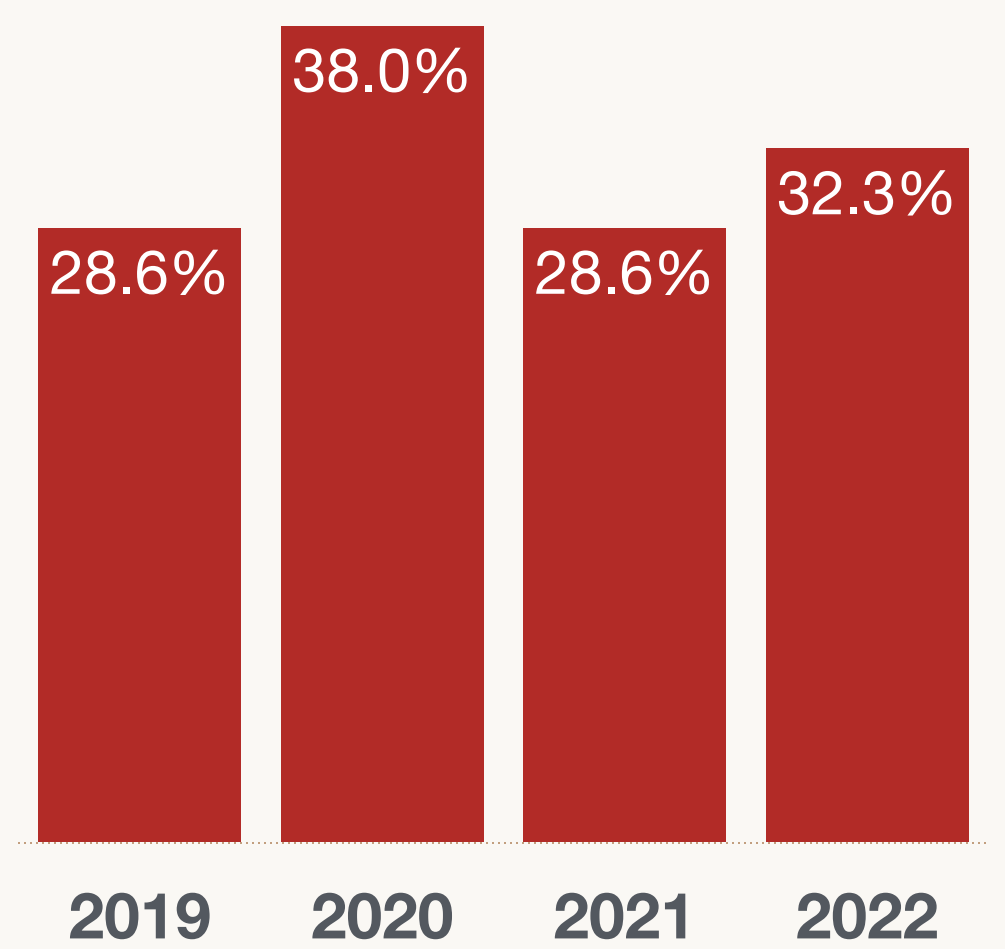
Net Debt

KD Millions



Net Debt to Capitalization

%





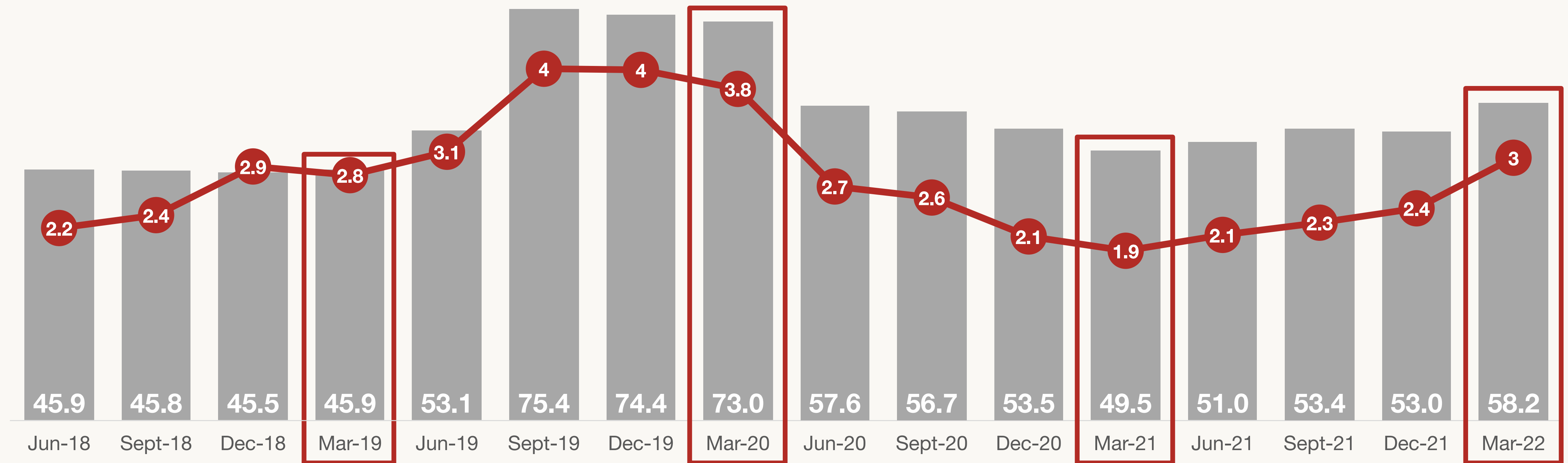
A note on debt levels

KD Millions



Net Debt stood at KWD 58.2mn: Up by KWD 5.2mn from Dec 2021 levels, mainly due to 1.2mn increase in bank overdraft and 2.3mn decrease in cash balances.

Net Debt / EBITDA of 3.01x (Yearly) up by 0.27x vs Dec 2021.



■ Net debt ● Net Debt/EBITDA(LTM)





Q & A



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