



Q3 2022 Earnings Presentation

November 14, 2022



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Agenda

- Tailwinds & Headwinds
- YTD 2022 Results
- YTD 2022 Financial Review
- Q&A





Mezzan Today: Tailwinds

- Strong performance in Food Manufacturing and Distribution segment.
- Rising Consumer Demand.
- Underlying profit improvement.
- Significant improvement in UAE and KSA operations.





Mezzan Today: Headwinds

- Inflation remains enemy #1: Continued compression of margins.
- Further delay in Qatar collection, now moving in Q4.
- Lack of performance of the pharma business.
- Pressure from UAE excise tax.





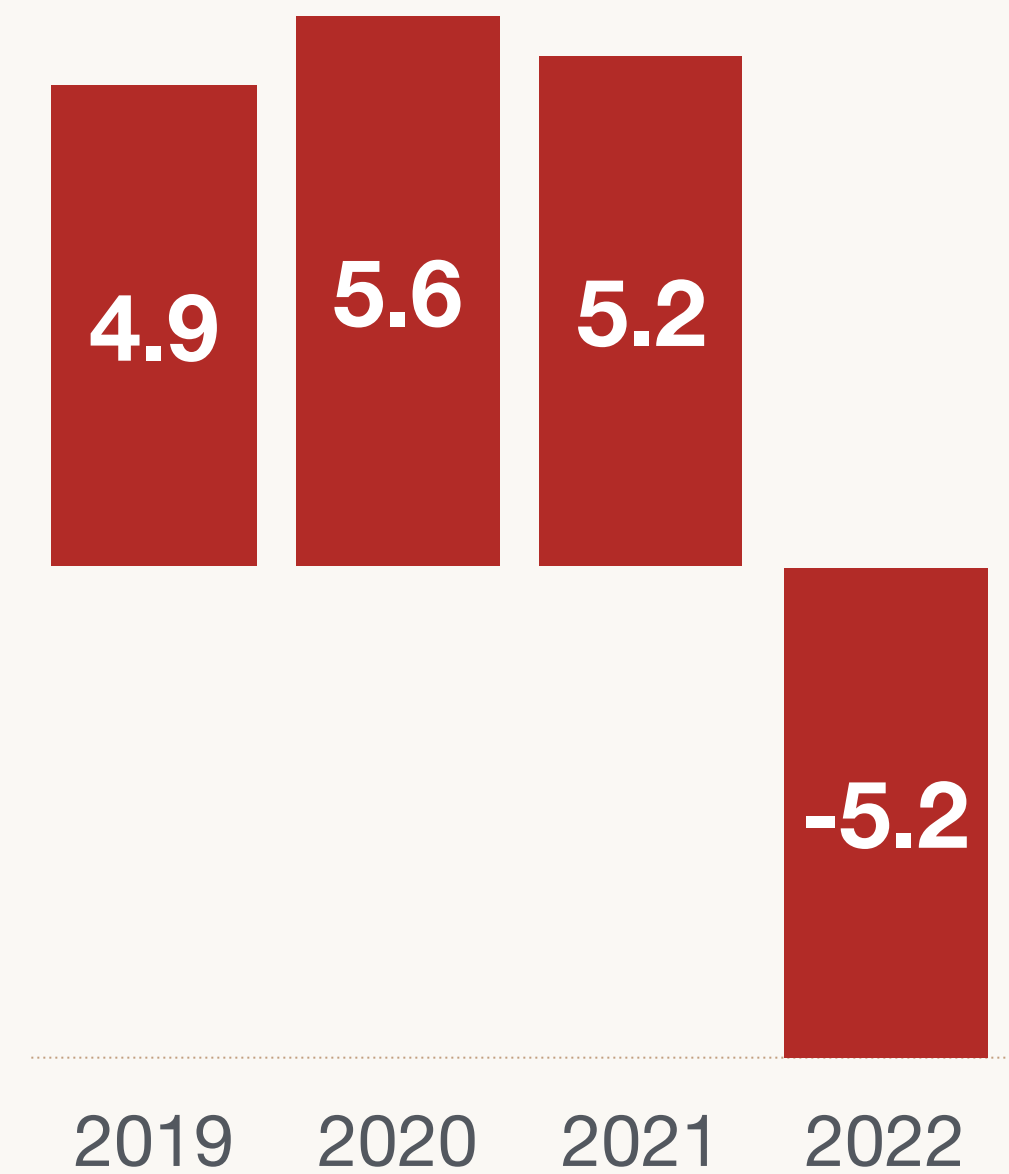
Mezzan Today: Earnings Highlights

KD Million

	<u>Q3'22</u>	<u>Q3'21</u>	<i>% Diff</i>	<u>YTD'22</u>	<u>YTD'21</u>	<i>% Diff</i>
Revenue	60.6	57.2	+6.0%	194.5	191.2	1.7%
EBITDA	-5.2	5.2	-199%	3.1	19.6	-84%
Net Income	-8.3	2.4	-445%	-6.3	10.8	-158.3%
Net Profit	-8.4	2.3	-467%	-6.5	9.5	-168.4%
Attributable to Equity Holders of Parent Company						

Q3 EBITDA (2019-2022)

KD Millions

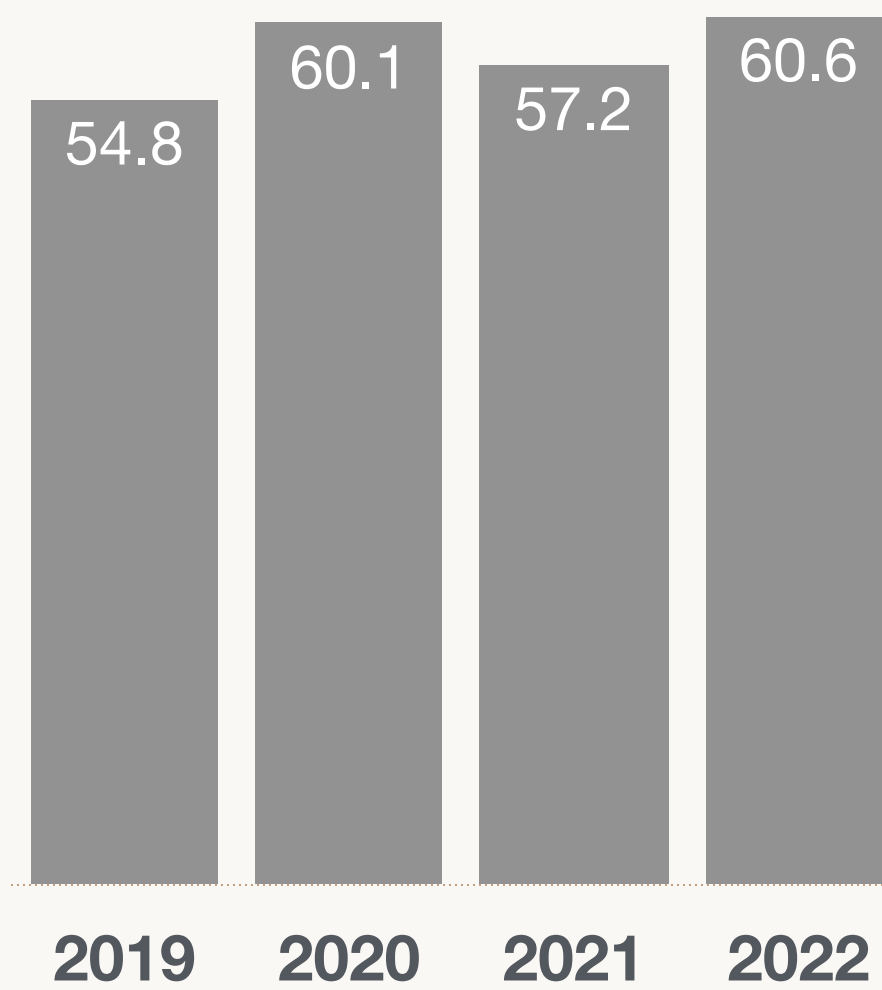




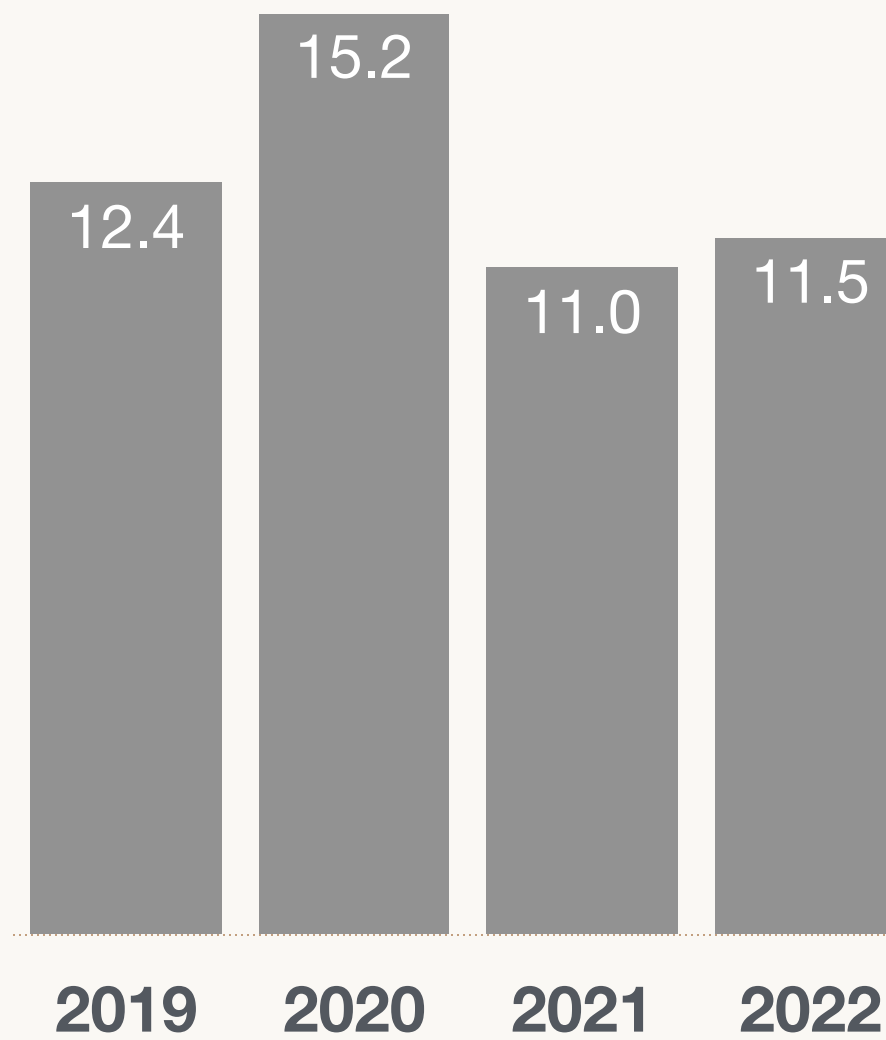
Mezzan Today: Q3 Historical Performance

KD Million

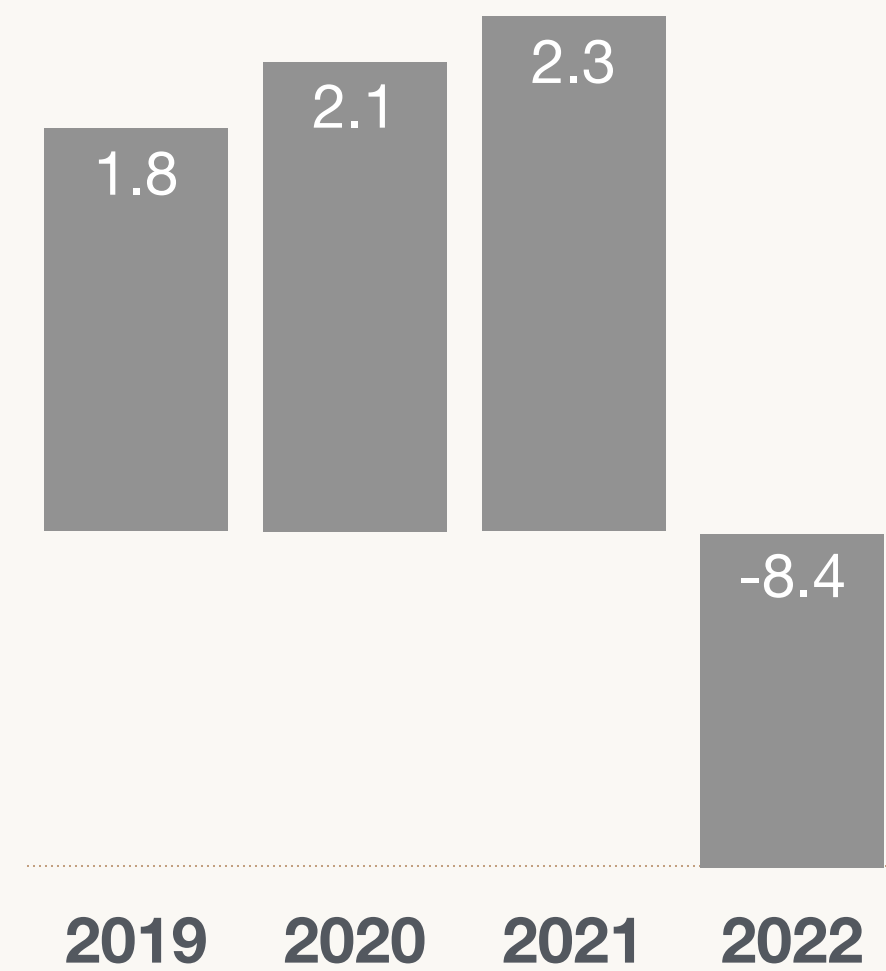
Q3 Revenue



Q3 Gross Profit



Q3 Net Profit



Financial Review



YTD'22 Revenue: Contribution by Business Line

FOOD REVENUE +5.8%

Vs.YTD'21



67.5%

Share of of total Group Revenue



NON-FOOD REVENUE -5.7%

Vs.YTD'21



32.5%

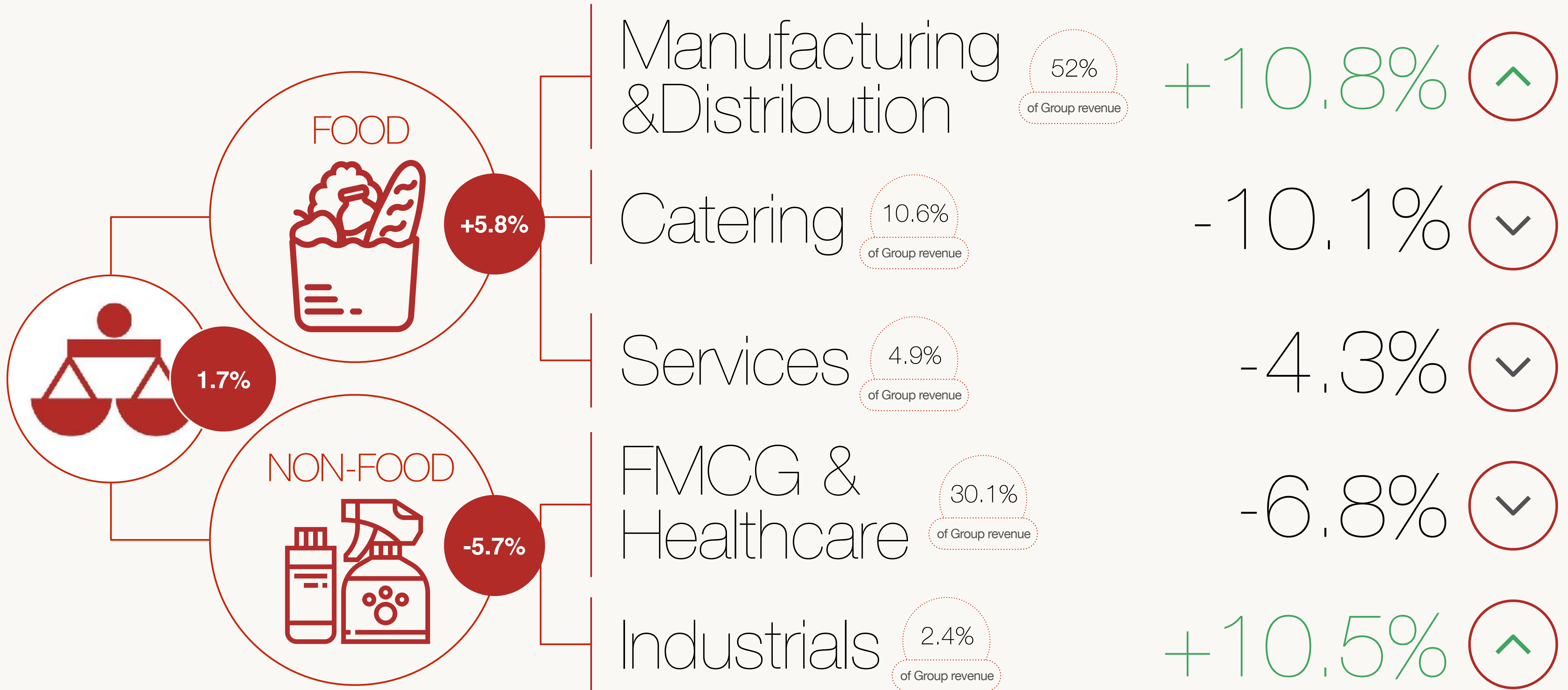
Share of of total Group Revenue





YTD'22 Revenue: Growth by Business Division

Vs. YTD'21

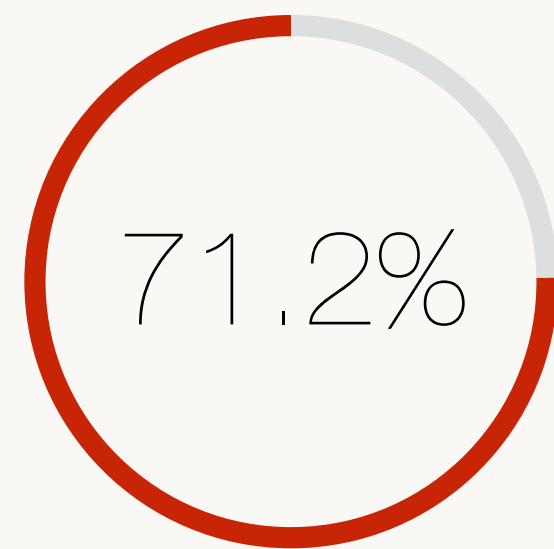




YTD'22 Revenue: Contribution and Growth by Country

○ Top-line Contribution
Vs. YTD'21

Kuwait



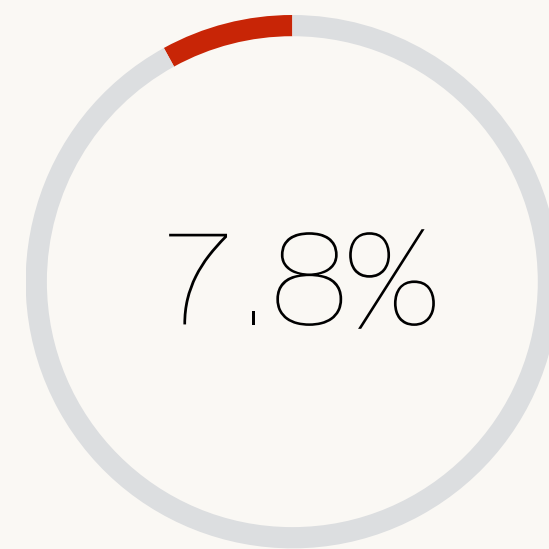
▼
-2.1%

UAE



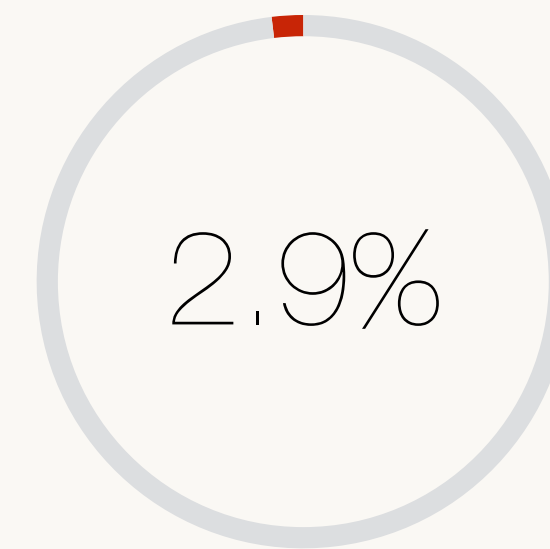
▲
+17.5%

Qatar



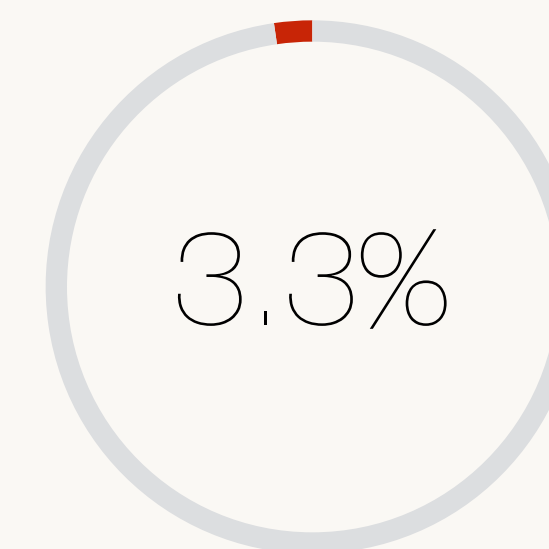
▲
+2.9%

KSA



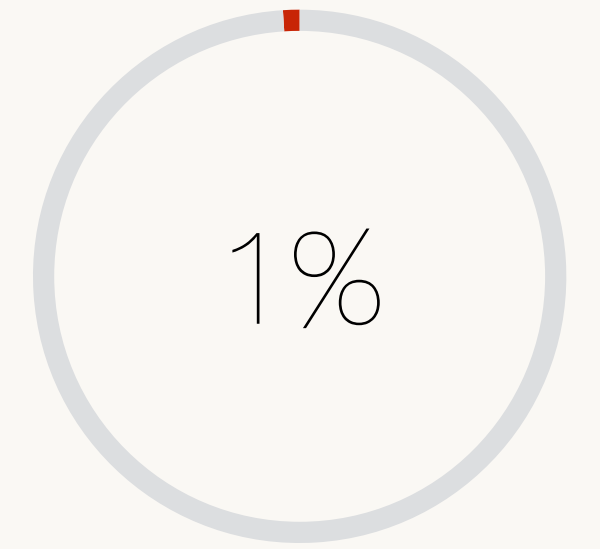
▲
+36.4%

Jordan



▲
+19.5%

Iraq



▲
+10.6%





YTD'22: P&L

KD Millions

	<u>Q3'22</u>	<u>Q3'21</u>	<u>% Diff</u>	<u>YTD'22</u>	<u>YTD'21</u>	<u>% Diff</u>
Revenue	60.6	57.2	5.9%	194.5	191.2	1.7%
Gross Margin	11.5	11.0	4.4%	37.1	40.5	-8.4%
	<i>GM %</i>	<i>18.9%</i>	<i>19.2%</i>	<i>19.1%</i>	<i>21.2%</i>	
SG&A / Other	-18.9	-7.9	139.5%	-40.9	-27.4	-49.2%
Operating Profit	-7.4	3.1	-341.7%	-3.8	13.1	-129.3%
Other	-1.0	-0.5	96.6%	-2.4	-1.7	-35.3%
Underlying Profit before Tax	-8.4	2.6	-425%	-6.2	11.3	-154.7%
Tax	0.1	-0.2	-157.7%	-0.1	-0.5	84.9%
Underlying Net Profit	-8.3	2.4	-444.8%	-6.3	10.8	-158.3%
	<i>UNP %</i>	<i>-13.7%</i>	<i>4.2%</i>	<i>-3.2%</i>	<i>5.6%</i>	
Reported Net Profit	-8.3	2.4	-444.8%	-6.3	10.8	-158.3%
	<i>NP %</i>	<i>-13.7%</i>	<i>4.2%</i>	<i>-3.2%</i>	<i>5.6%</i>	
Net Profit Attributable to Shareholders	-8.4	2.3	-467%	-6.5	9.5	-168.4%



YTD'22: CASHFLOW

KD Millions

	2022	2021	Diff
Operating Cashflow before WC changes	12.1	21.2	-9.1
Working Capital / Other	-4.3	-3.5	-0.9
Operating Cashflow	7.7	17.8	-10.0
Capital / Other	-8.9	-8.3	-0.7
Cash flow before Financing	-1.2	9.5	-10.7
Dividends & Purchase of treasury shares	-6.7	-6.9	0.2
Financing Costs / Other	-3.5	-2.6	-1.0
Cash flow after Financing	-11.4	0.0	-11.4
FX translation	0.2	-0.1	0.3
YTD Change in Net Debt	-11.2	-0.1	-11.1



In 2022, lower operating cash flow driven by lower net profit and higher capital spend.
 Net Capital Spent after Disposal of KWD 8.9mn.

Cash in hand decreased by KWD 4.9mn vs. LY mainly due to decrease in net profit by KWD 17.0mn and increase in investing activities by 0.7mn.

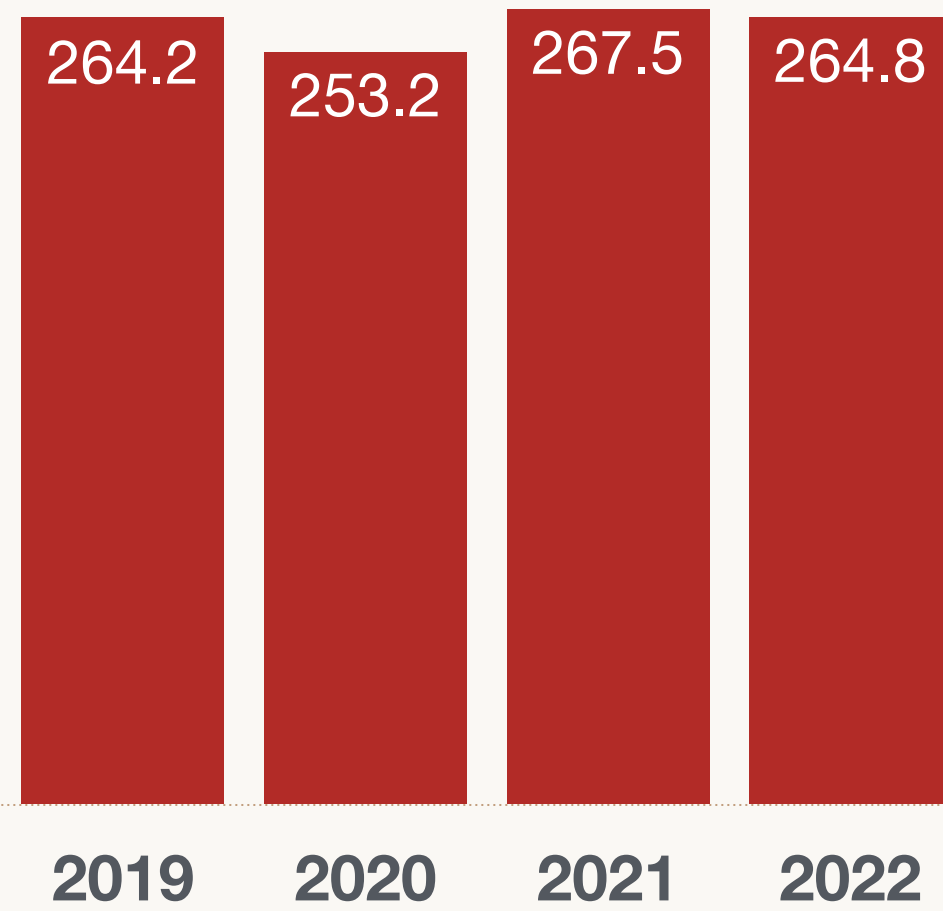


Balance Sheet as of Sep 30, 2022

KD Millions

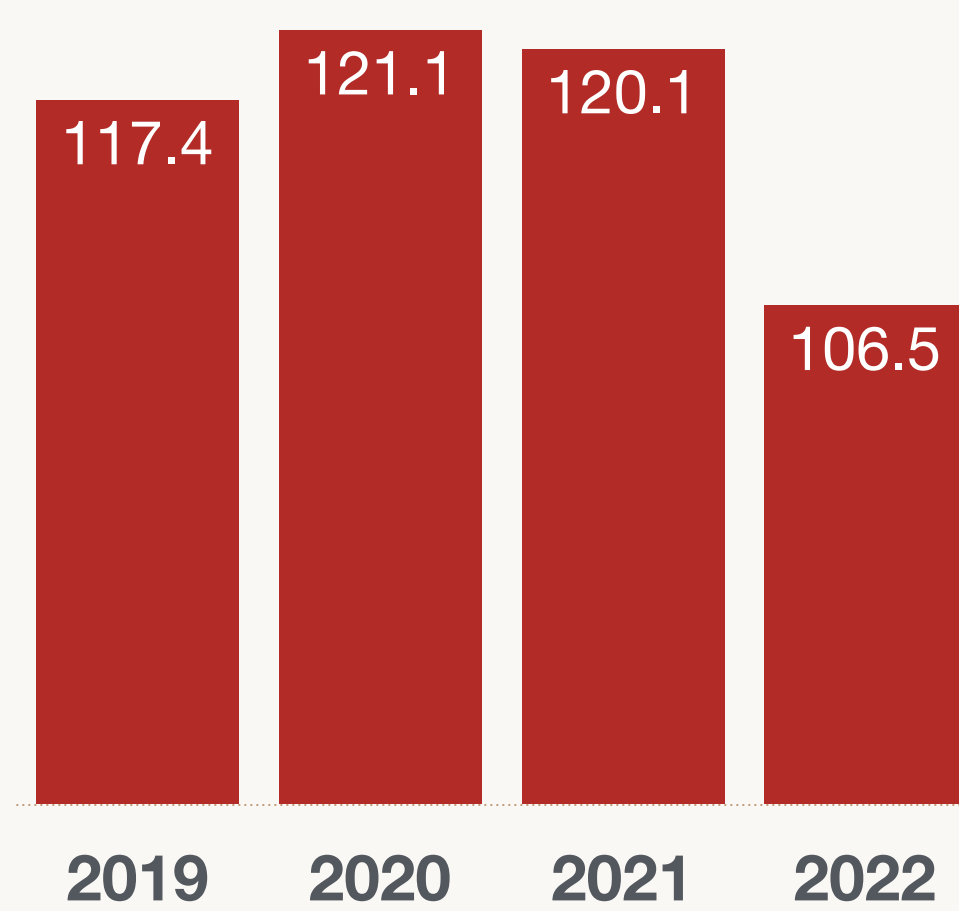
Total Assets

KD Millions



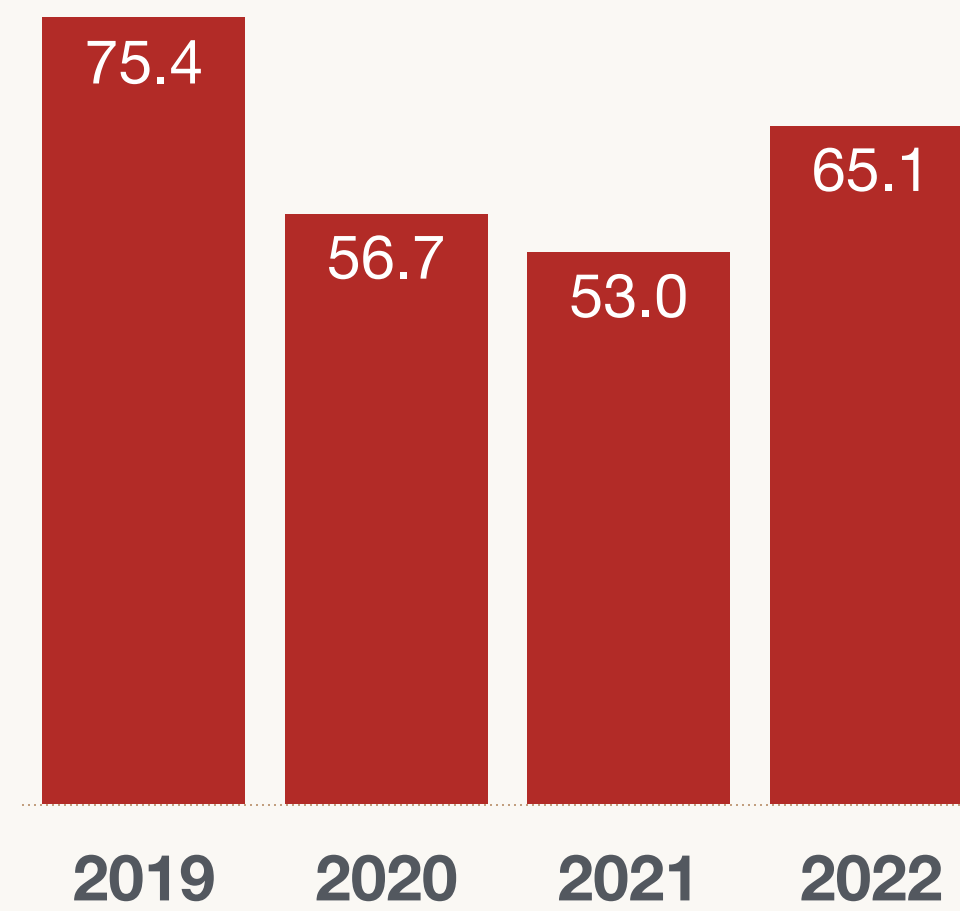
Equity

KD Millions



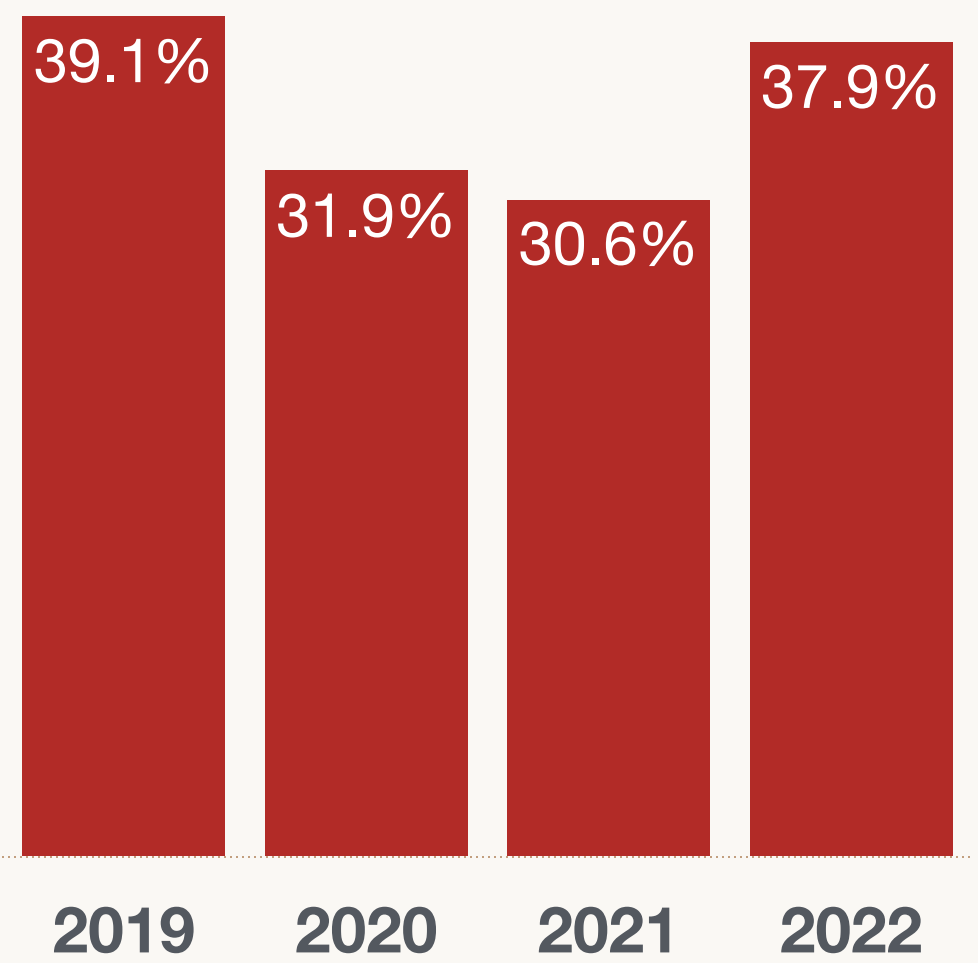
Net Debt

KD Millions



Net Debt to Capitalization

%





A note on debt levels

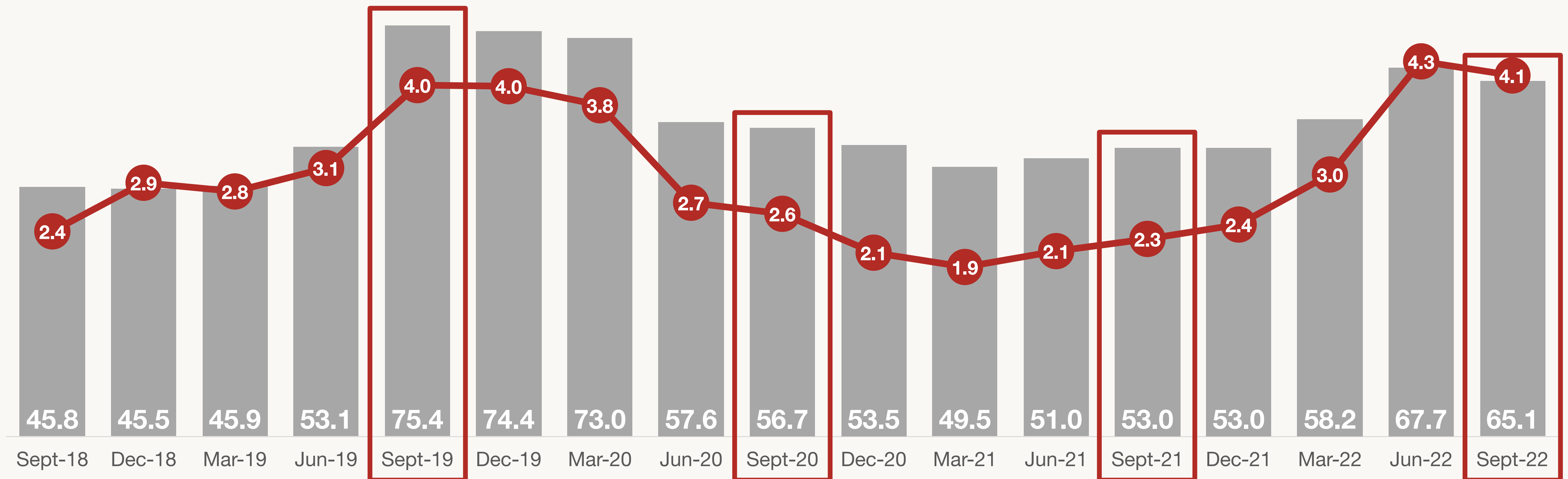
KD Millions



Net Debt stood at KWD 65.1mn

Up by KWD 12.1mn from September 2021 levels, mainly due to 8.9mn net increase in Capital Investment and 4.9mn decrease in cash balances.

Net Debt / EBITDA of 4.1 (Yearly) up by 1.9 vs September 2021



■ Net debt ● Net Debt/EBITDA(LTM)





Q & A



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