



Q3 2023 Earnings Presentation

November 9, 2023



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Agenda

- Tailwinds & Headwinds
- Q3 2023 Highlights
- Historical Performance
- Financial Review
- Q&A



Mezzan Today: Tailwinds

- Non recurrence of one-off adjustments performed in 2022.
- Recovery of healthcare business after resuming supply to KSA.
- Discontinuation of non-accretive contracts in catering segment.
- Effective management of product/channel mix enabling profitable growth.
- Improved margins through localization manufacturing footprint.
- Effective CAPEX management.



Mezzan Today: Headwinds

- Increased interest rates yielding additional burden on financing cost.
- Increase inventory levels to fuel growth.
- Evolving tax environment in GCC.





Mezzan Today: Earnings Highlights

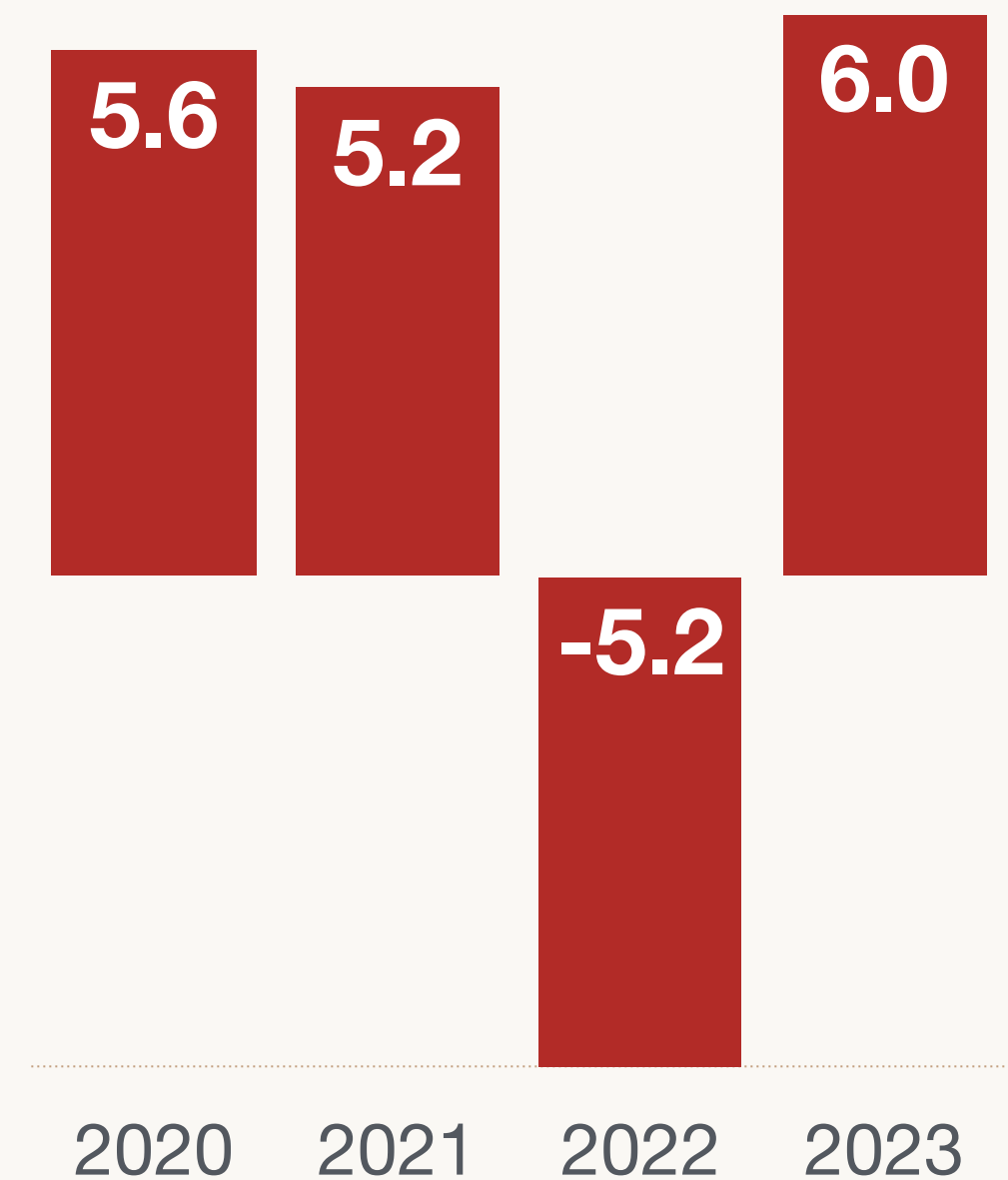
KD Millions

	<u>Q3'23</u>	<u>Q3'22</u>	<i>% Diff</i>	<u>YTD'23</u>	<u>YTD'22</u>	<i>% Diff</i>
Revenue	65.2	60.6	+7.6%	205.5	194.5	+5.7%
EBITDA	6.0	-5.2	+216%	19.9	3.1	+539%
Net Income	2.4	-8.3	+129%	9.0	-6.3	+243.5%
Net Profit	2.2	-8.4	+125.7%	8.1	-6.5	+224.3%

Attributable to Equity Holders of Parent Company

Q3 EBITDA (2020-2023)

KD Millions



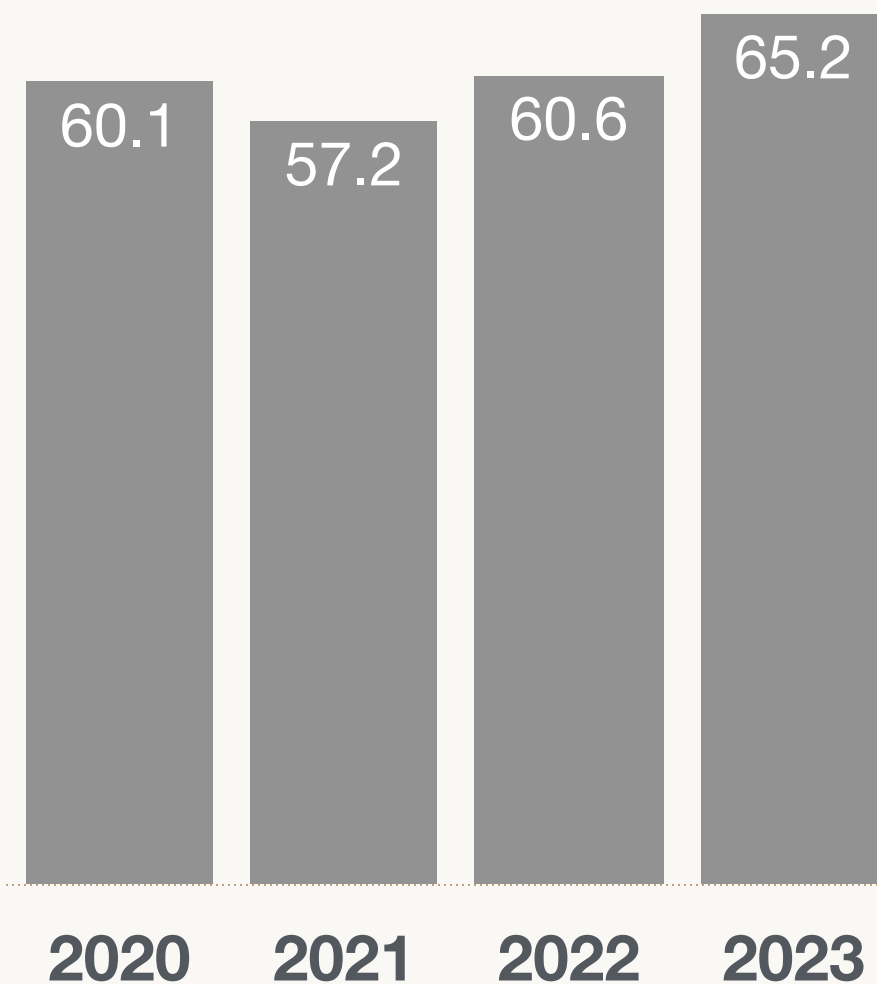
EBITDA improved by 216% in Q3 on the back of higher gross profit.



Mezzan Today: Q3 Comparative Performance

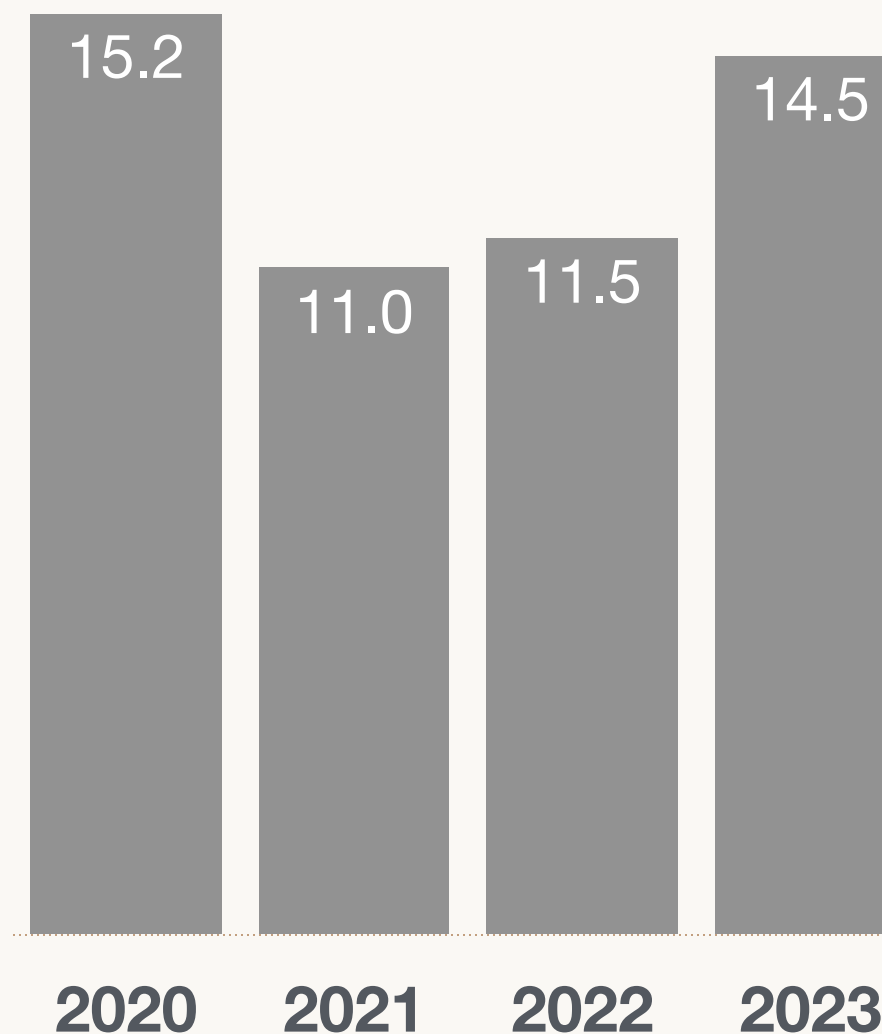
KD Millions

Q3 Revenue



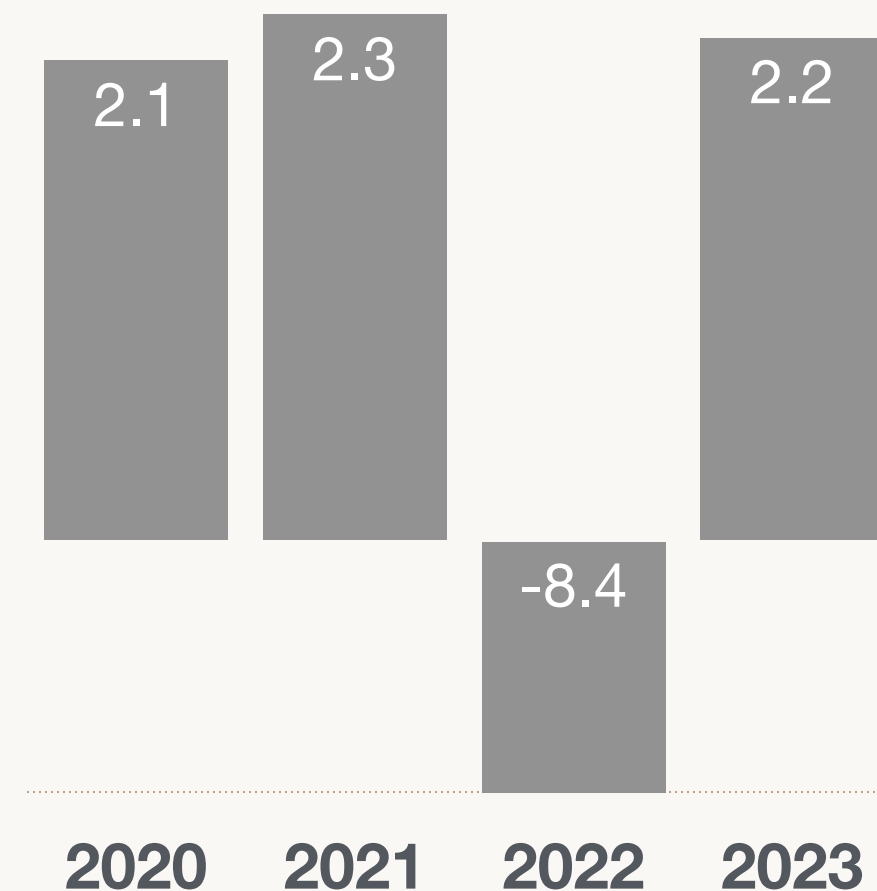
Q3 revenue grew by 7.6% as both the food and non-food segment displayed strong results. The growth was largely driven by Food M&D, Services as well as FMCG but constrained slightly by a slowdown in catering division.

Q3 Gross Profit



In Q3, gross profit increased by 26.2% while margins stood at 22.2% (up by 330bps) from Q3 2022.

Q3 Net Profit to Parent



Net income improved compared to last year given increase in higher operating profitability margins.



Financial Review



YTD'23 Revenue: Contribution by Business Line

FOOD REVENUE +2.3%

Vs.YTD'22



65.3%

Share of of total Group
Revenue

NON-FOOD REVENUE +12.7%

Vs.YTD'22



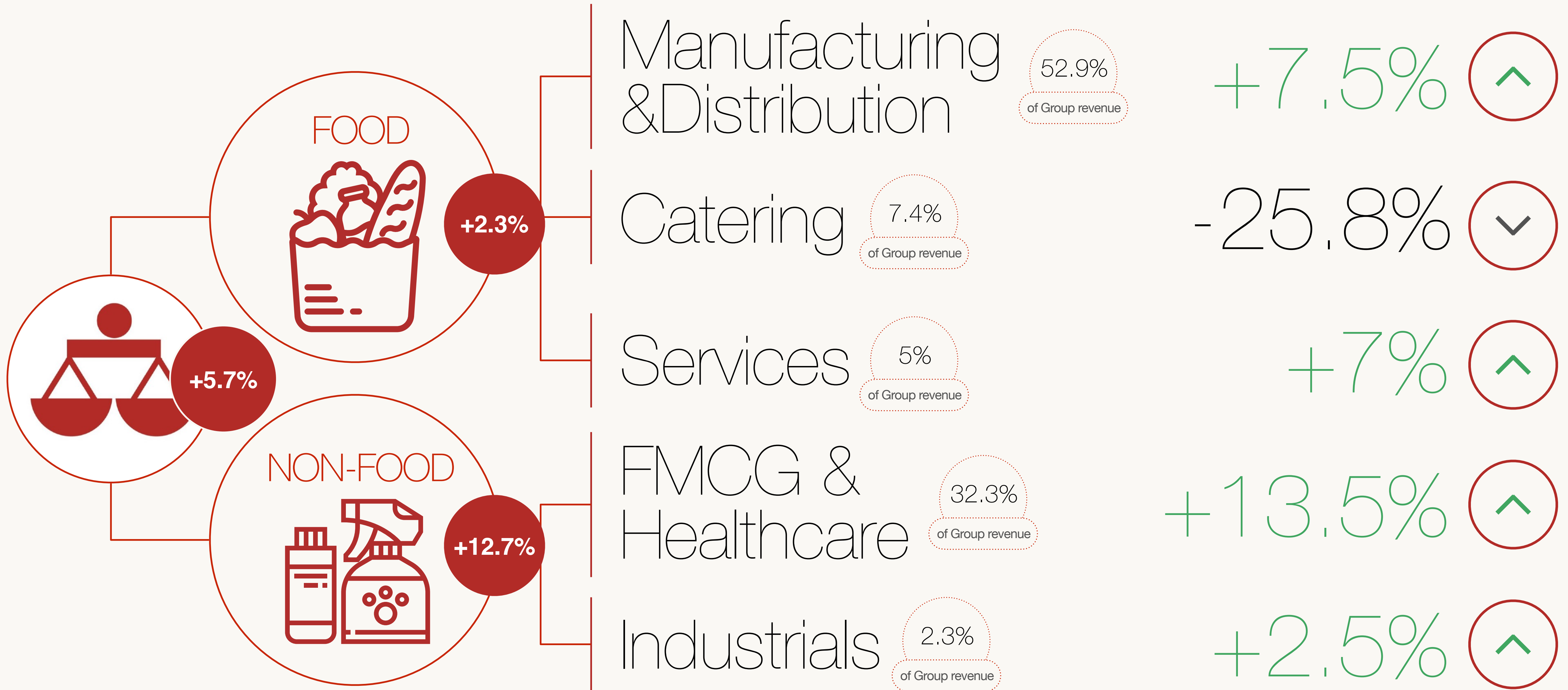
34.7%

Share of of total Group
Revenue



YTD'23 Revenue: Growth by Business Division

Vs.YTD'22

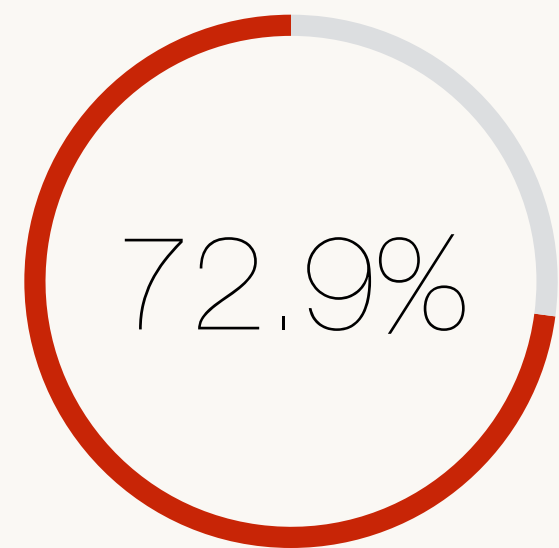




YTD'23 Revenue: Contribution and Growth by Country

○ Top-line Contribution
Vs. YTD'22

Kuwait



72.9%



+8.1%

UAE

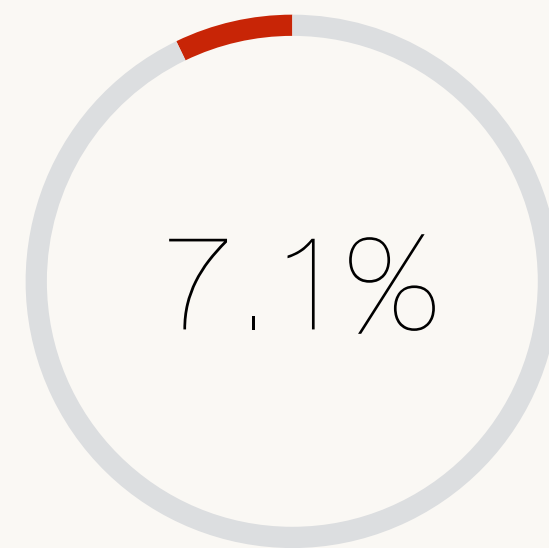


12.6%



-2.3%

Qatar

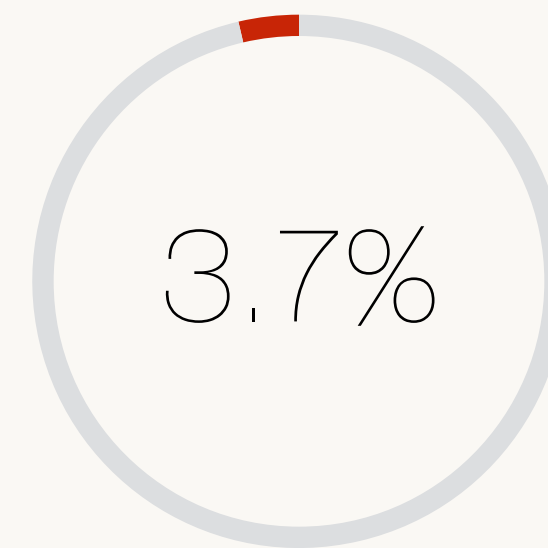


7.1%



-3.5%

Jordan

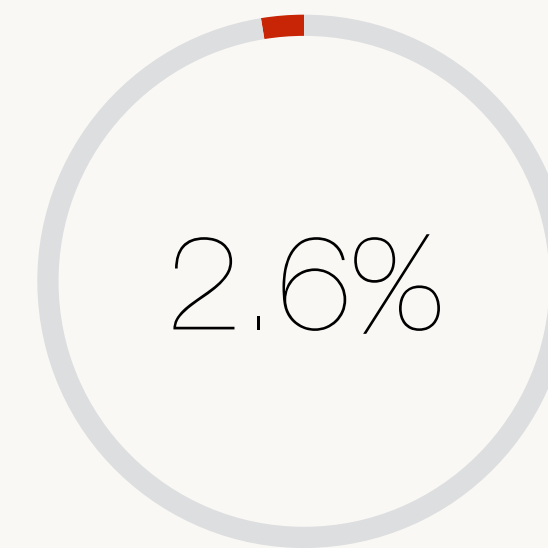


3.7%



+18%

KSA

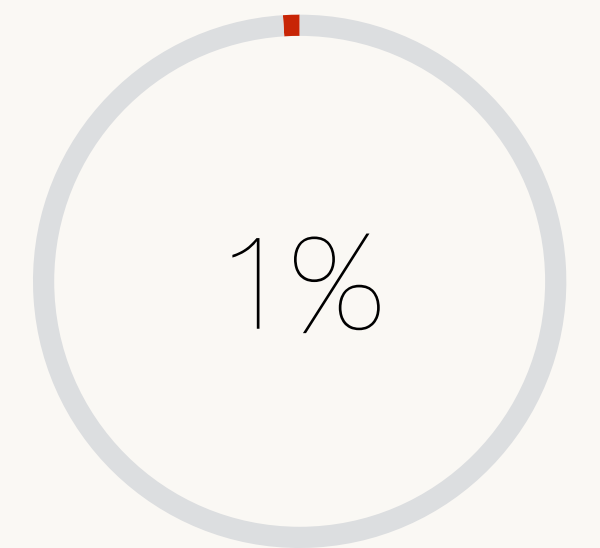


2.6%



-4.3%

Iraq



1%



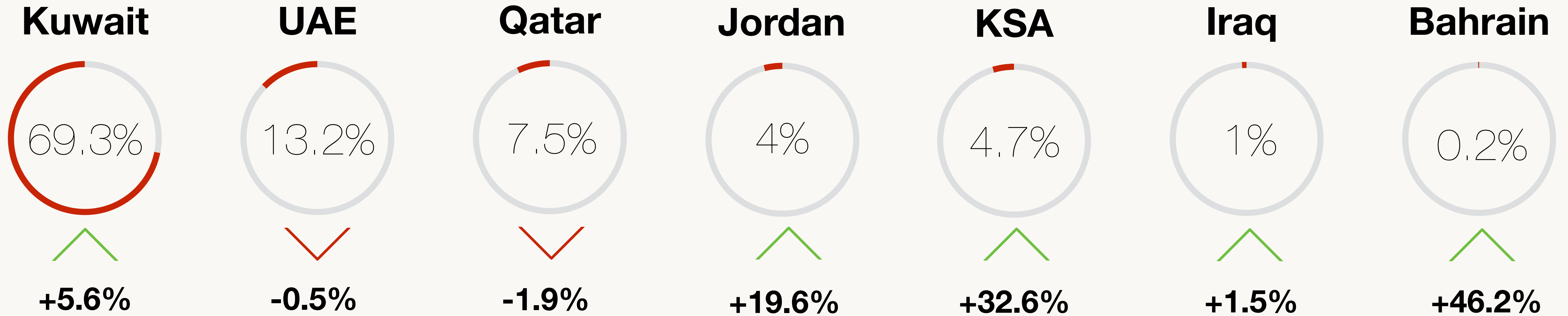
+1.5%



YTD'23 Revenue: Contribution and Growth by Country (With Export)

○ Top-line Contribution

Vs. YTD'22





YTD'23: P&L

KD Millions

	<u>Q3'23</u>	<u>Q3'22</u>	<u>% Diff</u>	<u>YTD'23</u>	<u>YTD'22</u>	<u>% Diff</u>
Revenue	65.2	60.6	7.6%	205.5	194.5	5.7%
Gross Margin	14.5	11.5	26.2%	44.0	37.1	18.7%
	<i>GM %</i>	<i>22.2%</i>	<i>18.9%</i>	<i>21.4%</i>	<i>19.1%</i>	
SG&A / Other	-10.6	-18.9	-44.0%	-30.6	-40.9	-25.2%
Operating Profit	3.9	-7.4	152.1%	13.4	-3.8	451%
Other	-1.5	-1.0	50.6%	-4.1	-2.4	74%
Underlying Profit before Tax	2.4	-8.4	129%	9.0	-6.3	243.5%
Tax	-0.02	0.1	124%	-0.3	-0.08	269.7%
Underlying Net Profit	2.4	-8.3	129%	9.0	-6.3	243.5%
Net Profit Attributable to Shareholders	2.2	-8.4	125.7%	8.1	-6.5	224.3%



YTD'23: CASHFLOW

KD Millions

	Q3'23	Q3'22	Diff	YTD'23	YTD'22	Diff
Operating Cashflow before WC changes	6.2	-0.1	6.2	20.6	12.1	8.6
Working Capital / Other	0.9	5.5	-4.6	-6.3	-4.3	-1.9
Operating Cashflow	7.1	5.4	1.7	14.3	7.7	6.6
Capital / Other	-1.0	-0.9	-0.1	-4.0	-8.9	4.9
Cash flow before Financing	6.0	4.5	1.6	10.3	-1.2	11.5
Dividends & Purchase of treasury shares	0.3	-0.4	0.6	-4.1	-6.7	2.6
Financing Costs / Other	-1.7	-1.3	-0.5	-5.2	-3.5	-1.7
Cash flow after Financing	4.5	2.9	1.7	1.0	-11.4	12.4
FX translation	-0.1	0.1	-0.2	-0.12	0.2	-0.3
YTD Change in Net Debt (incl. cash on hand)	4.5	3.0	1.5	0.9	-11.2	12.1



Cash on hand as of September 2023, lower by KWD 2.8mn primarily due to:

- Lower proceeds from loans and borrowings and repayment of previous loans.
- Higher finance cost and lower level of Cash & Cash equivalents at the beginning of 2023 vs 2022.

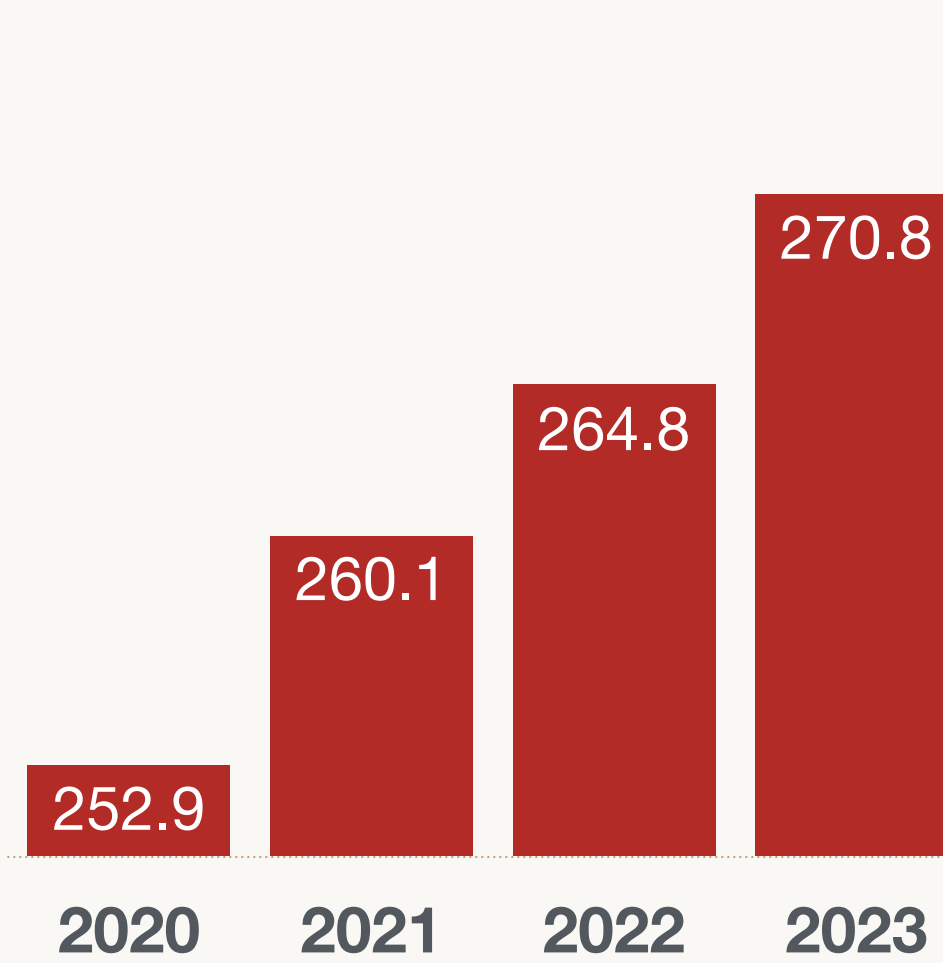


Balance Sheet as of Sep 30, 2023

KD Millions

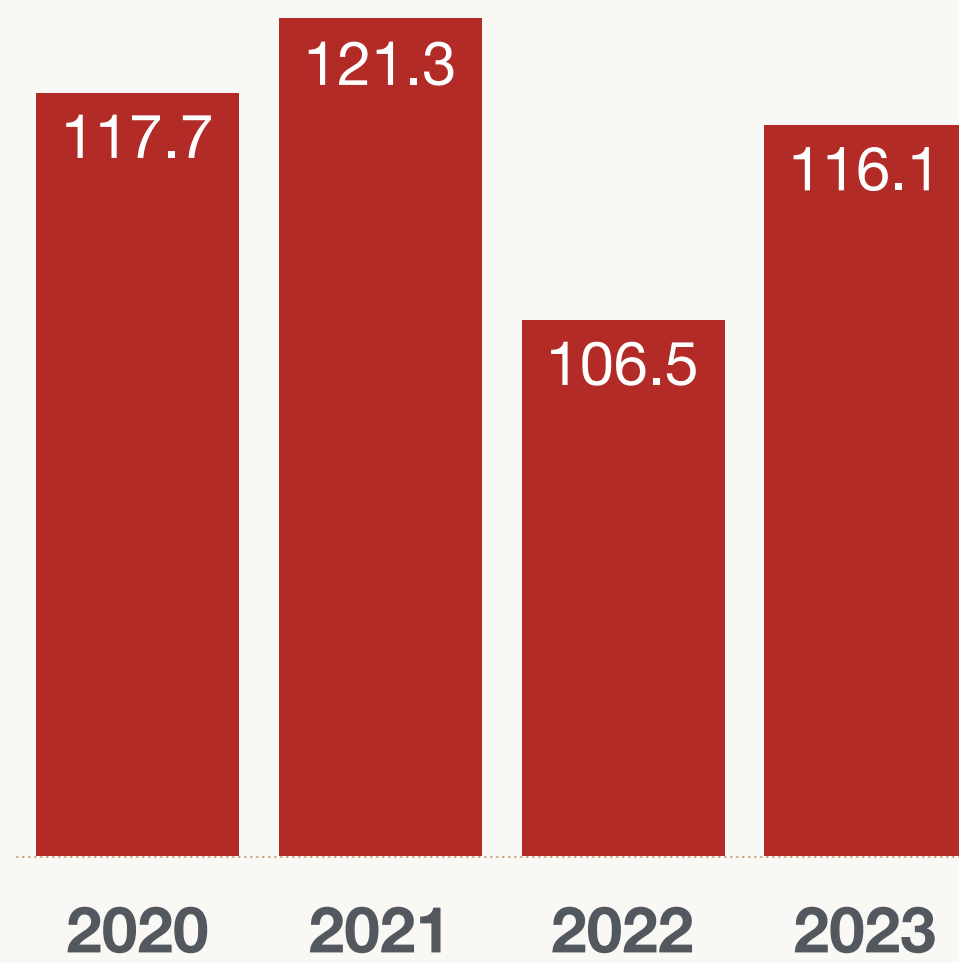
Total Assets

KD Millions



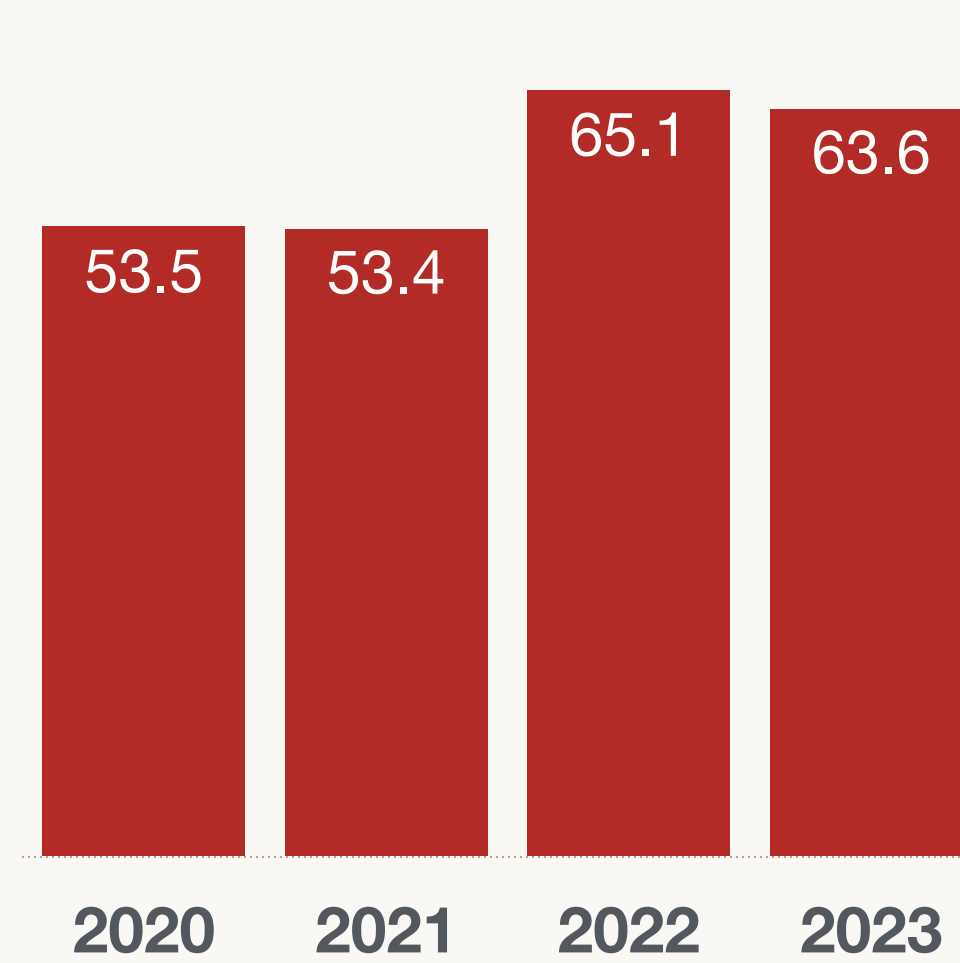
Equity

KD Millions



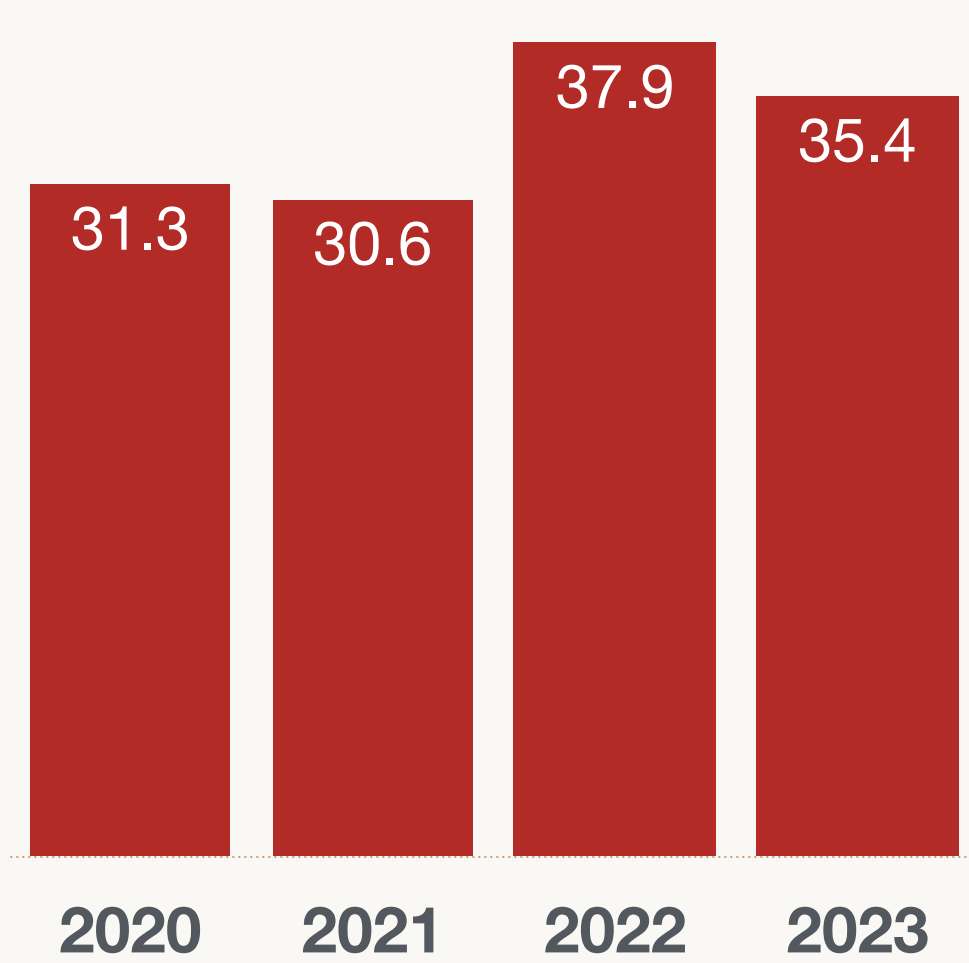
Net Debt

KD Millions



Net Debt to Capitalization

%





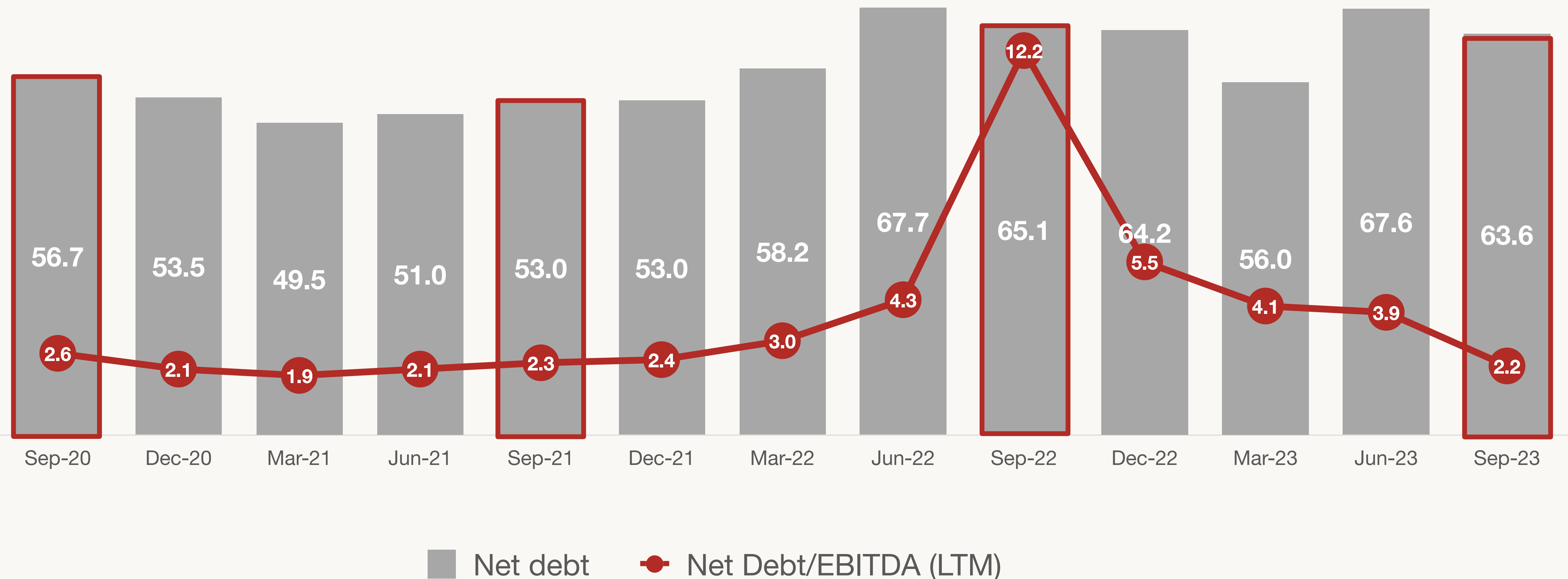
A note on debt levels

KD Millions



As of 30 September 2023: Net Debt stood at KWD 63.6 mn, down by KWD 4mn from June 2023 levels, and lower by KWD 1.56 mn from September 2022 levels.

- LTM Net Debt / EBITDA of 2.2x down by 10x vs Q3 2022





Q & A



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