



FY 2023 Earnings Presentation

March 12, 2024



شركة ميزان القابضة
MEZZAN HOLDING CO.



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Agenda

- Tailwinds & Headwinds
- Q4 & FY23 Highlights
- Q4 & FY23 Financial Review
- Q&A



Mezzan Today: Tailwinds

- Margin improvement through effective product/channel mix, and localization of manufacturing footprint.
- Benefits from the non-recurrence of the one-off adjustment that adversely hit the performance of 2022.
- Good growth momentum in our Pharma and Healthcare business, partially supported by resuming supply to KSA.
- Acceleration of our business in UAE and Jordan.
- Effective CAPEX management.
- Seeking to expand collaboration with relevant local brands, where our scale and expertise can be leveraged.



Mezzan Today: Headwinds

- Additional burden yielded from the peak in interest rates.
- Evolving tax environment in the GCC.
- The “Red Sea crisis” had no material impact so far, thus leading us to maintain critical inventory at high level to avoid business disturbance.





Mezzan Today: Earnings Highlights

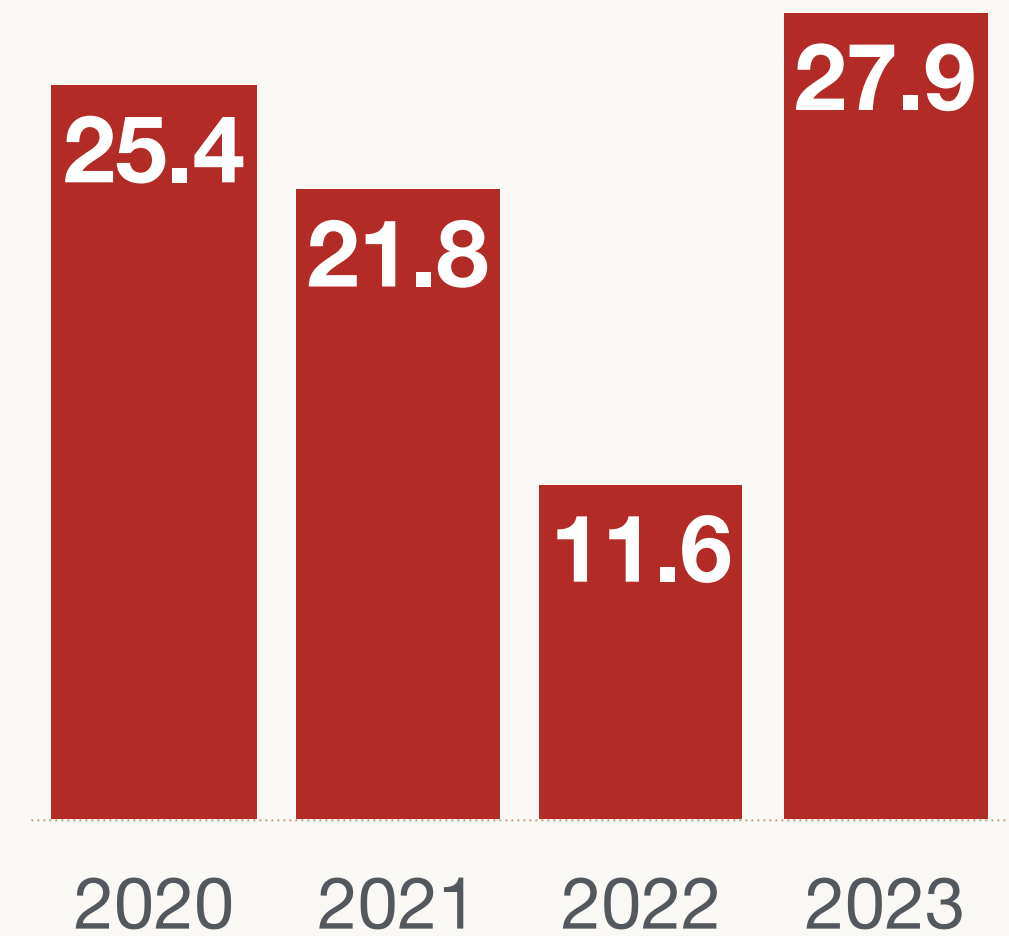
KD Millions

	Q4'23	Q4'22	<i>% Diff</i>	FY'23	FY'22	<i>% Diff</i>
Revenue	65.6	60.6	+8.2%	271.2	255.2	+6.3%
EBITDA	8.1	8.5	-4.9%	27.9	11.6	+141.1%
Net Income	3.7	4.6	-18.6%	12.7	-1.7	
Net Profit	3.4	4.6	-26.3%	11.5	-2.0	

Attributable to Equity Holders of Parent Company

FY EBITDA (2020-2023)

KD Millions



A 141.1% increase over FY2022, resulting from Gross Profit expansion driven by new product launches.

Note: All figures are rounded. Manual calculations for the variances and percentage difference may not align with the presented figures.



Mezzan Today: Board Recommendation

KD Millions

**The Board of Directors
has recommended the
distribution of 20 fils per
share for FY2023***

*Subject to shareholder approval at Annual
General Meeting of Shareholders.

**CASH DIVIDEND
PAYOUT RATIO OF 55%**

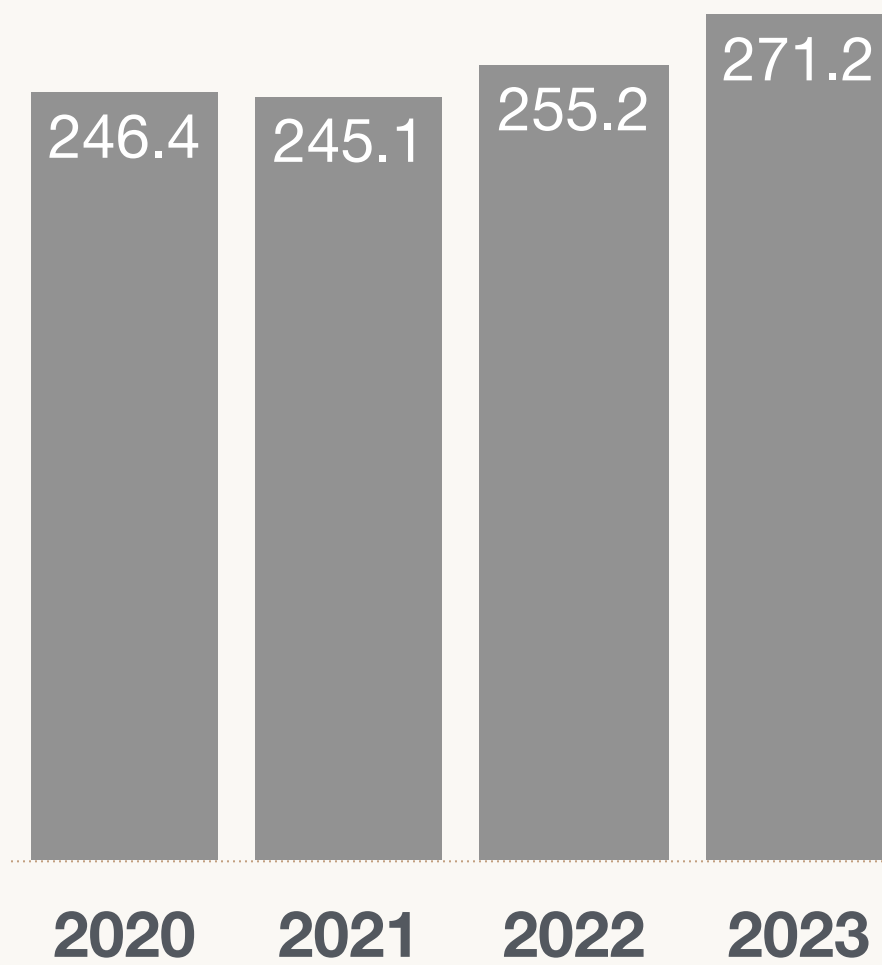
**Total Cash Dividend
Payout of KD 6.2 mn.**



Mezzan Today: FY Comparative Performance

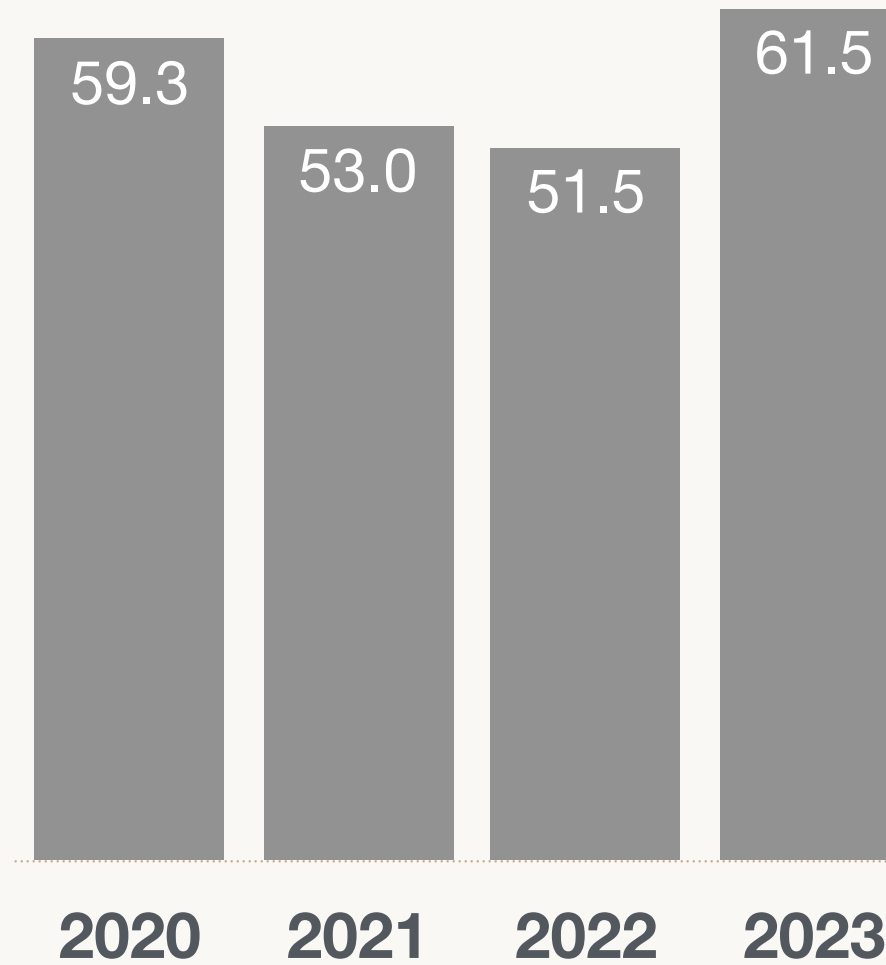
KD Millions

FY Revenue



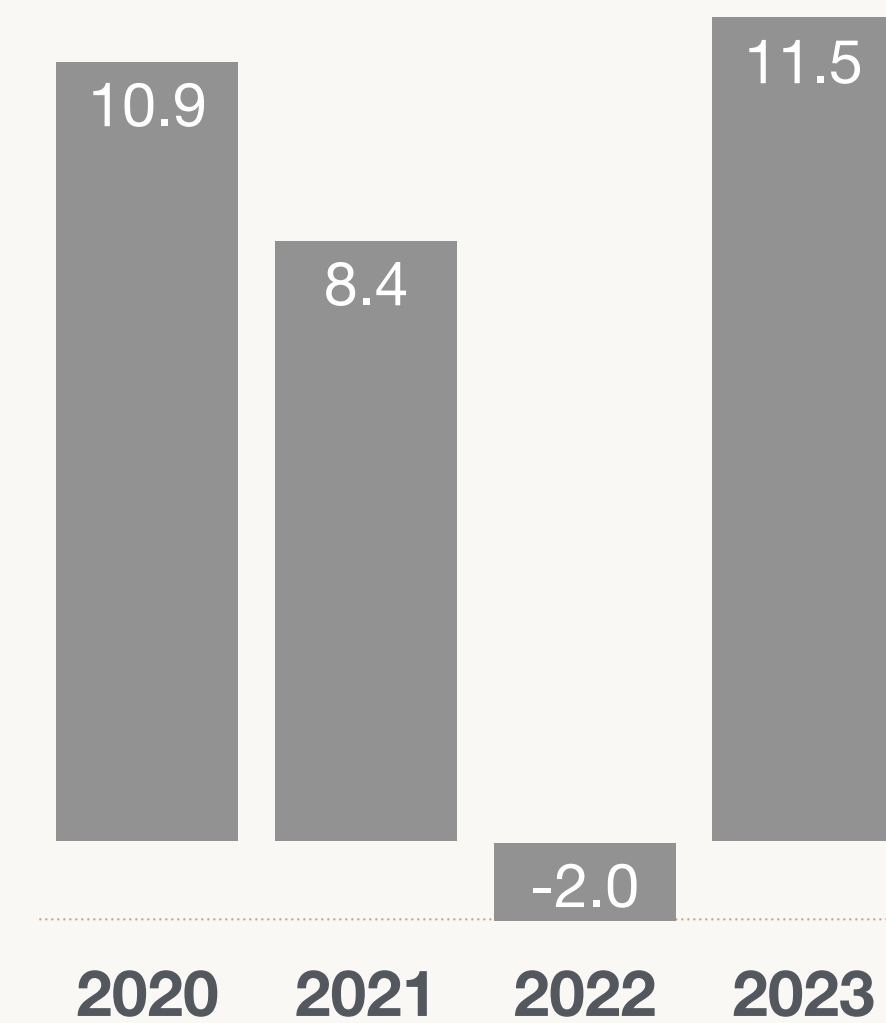
Significant increase in revenue streams.

FY Gross Profit



Margins improved, achieving an increase of 267 bps over last year, to reach 22.7%.

FY Net Profit



Net Profit attributable to the parent company made a significant recovery from the previous year, exceeded the results of of FY2020 and FY2021.



Financial Review



FY2023 Revenue: Contribution by Business Line

FOOD REVENUE +1.8%

Vs.FY'22



65.7%

Share of of total Group Revenue

NON-FOOD REVENUE +16%

Vs.FY'22



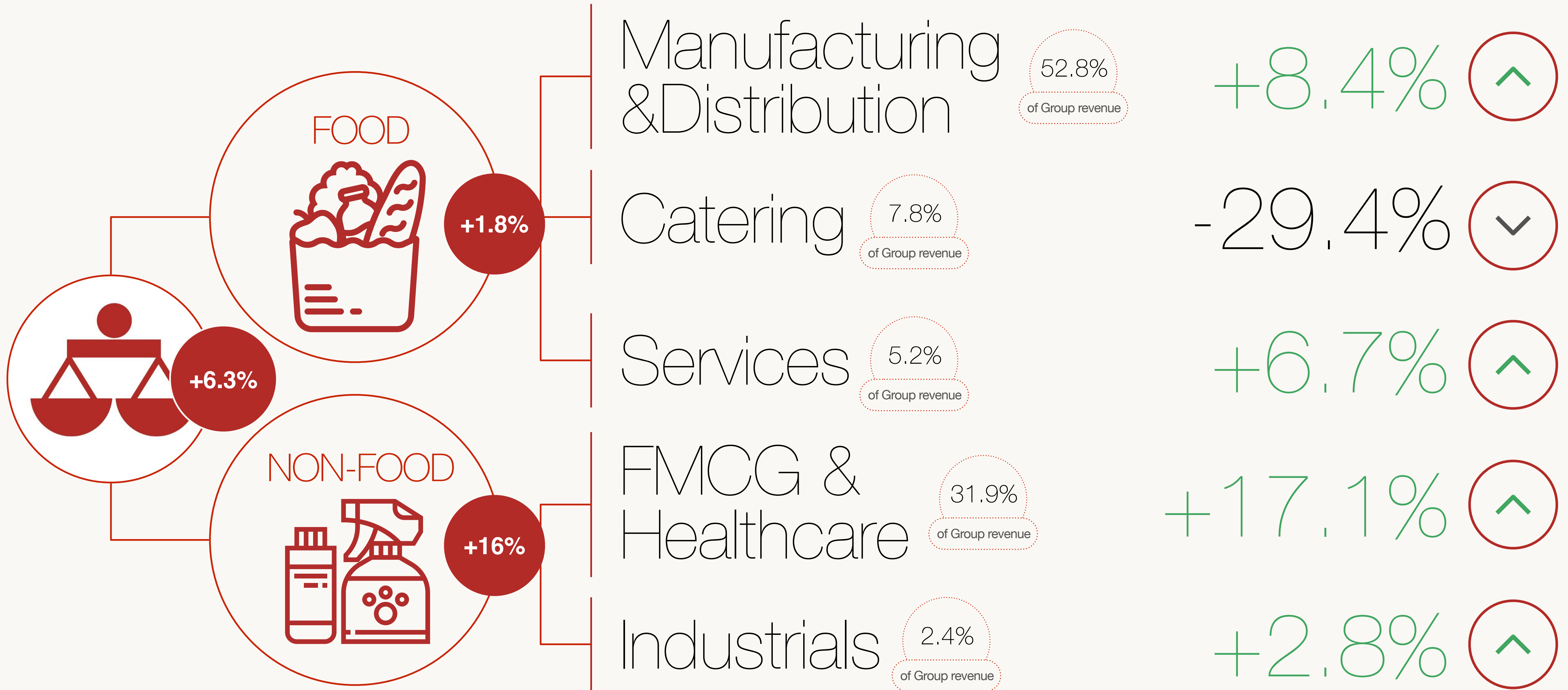
34.3%

Share of of total Group Revenue



FY2023 Revenue: Growth by Business Division

Vs.FY'22

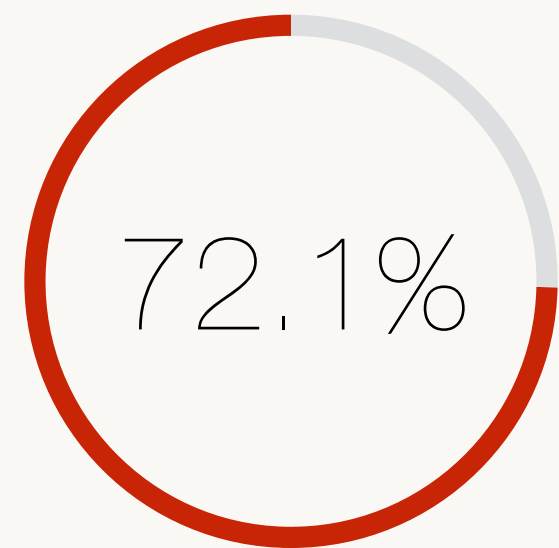




FY2023 Revenue: Contribution and Growth by Country

○ Top-line Contribution
Vs.FY'22

Kuwait



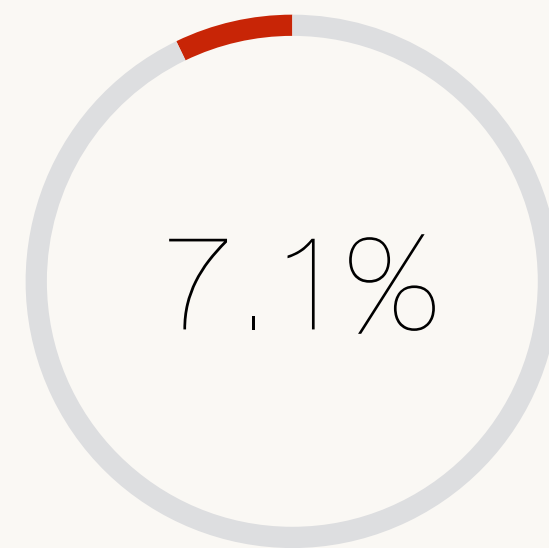
▲
+9.8%

UAE



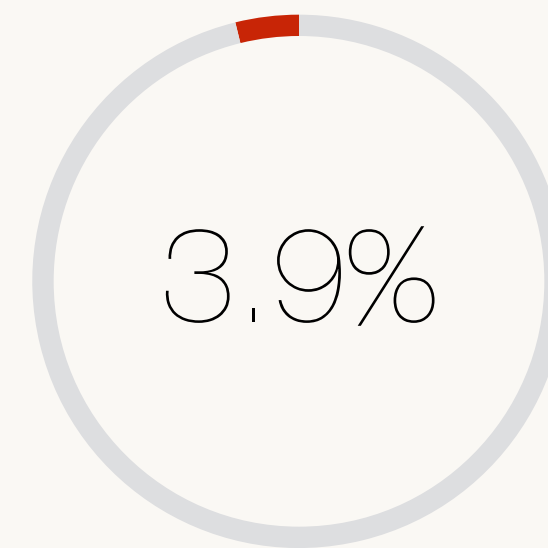
▲
+1.0%

Qatar



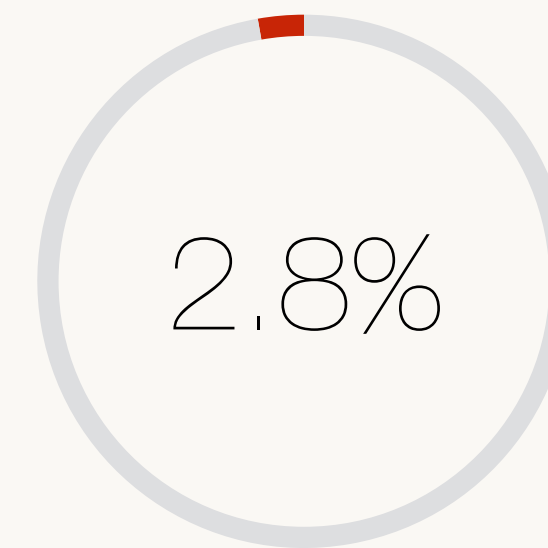
▼
-16.2%

Jordan



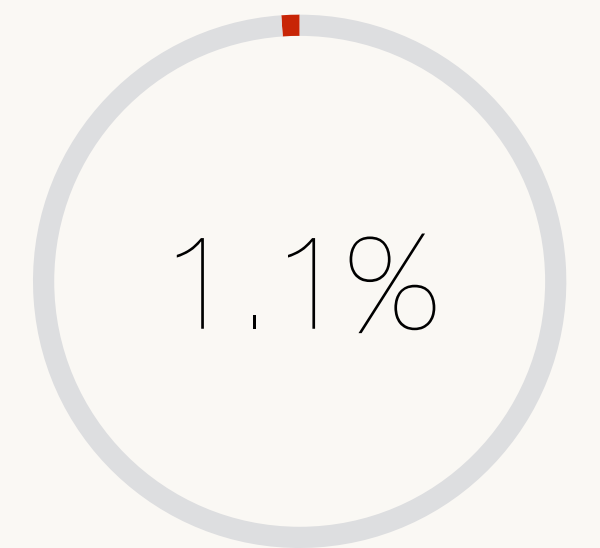
▲
+16.6%

KSA



▲
+2.1%

Iraq



▲
+6.9%



FY2023 P&L

KD Millions

	Q4'23	Q4'22	% Diff	FY'23	FY'22	% Diff
Revenue	65.6	60.6	8.2%	271.2	255.2	6.3%
Gross Margin	17.5	14.0	24.9%	61.5	51.1	20.4%
	<i>GM %</i>	26.7%		22.7%	20.0%	
SG&A / Other	-12.0	-8.7	38.4%	-42.6	-49.6	-14.1%
Operating Profit	5.5	5.4	3.2%	18.9	1.5	1137.1%
Other	-1.7	-0.7	130.5%	-5.8	-3.1	87.2%
Underlying Profit Before Tax	3.9	4.6		13.2	-1.6	
Tax	-0.1	-0.1		-0.4	0.1	
Underlying Net Profit	3.7	4.6	-18.6%	12.7	-1.7	
	<i>UNP %</i>	5.7%		4.7%	-0.7%	
Net Profit Attributable to Shareholders	3.4	4.6	-26.3%	11.5	-2.0	

Note: All figures are rounded. Manual calculations for the variances and percentage difference may not align with the presented figures.



FY2023 Cashflow

KD Millions

	2023	2022	Diff
Operating Cashflow Before WC Changes	29.49	21.04	8.45
Working Capital / Other	-6.38	-9.63	3.25
Operating Cashflow	23.11	11.41	11.70
Capital / Other	-6.38	-10.30	3.91
Cash Flow Before Financing	16.73	1.11	15.61
Dividends & Purchase of Treasury Shares	-4.13	-6.88	2.75
Financing Costs / Other	-7.31	-5.27	-2.04
Cash Flow After Financing	5.29	-11.03	16.33
FX Translation	-0.49	0.22	-0.71
YTD Change in Net Debt	4.81	-10.81	15.62



Cash on hand as of December 2023 increased by KWD 11.3 mn mainly driven by:

- High operating cashflow, due to lower changes in working capital.
- Higher proceeds from loans and borrowings, with less re-payments of previous loans.
- Lower dividends payments and reduced capital investments.

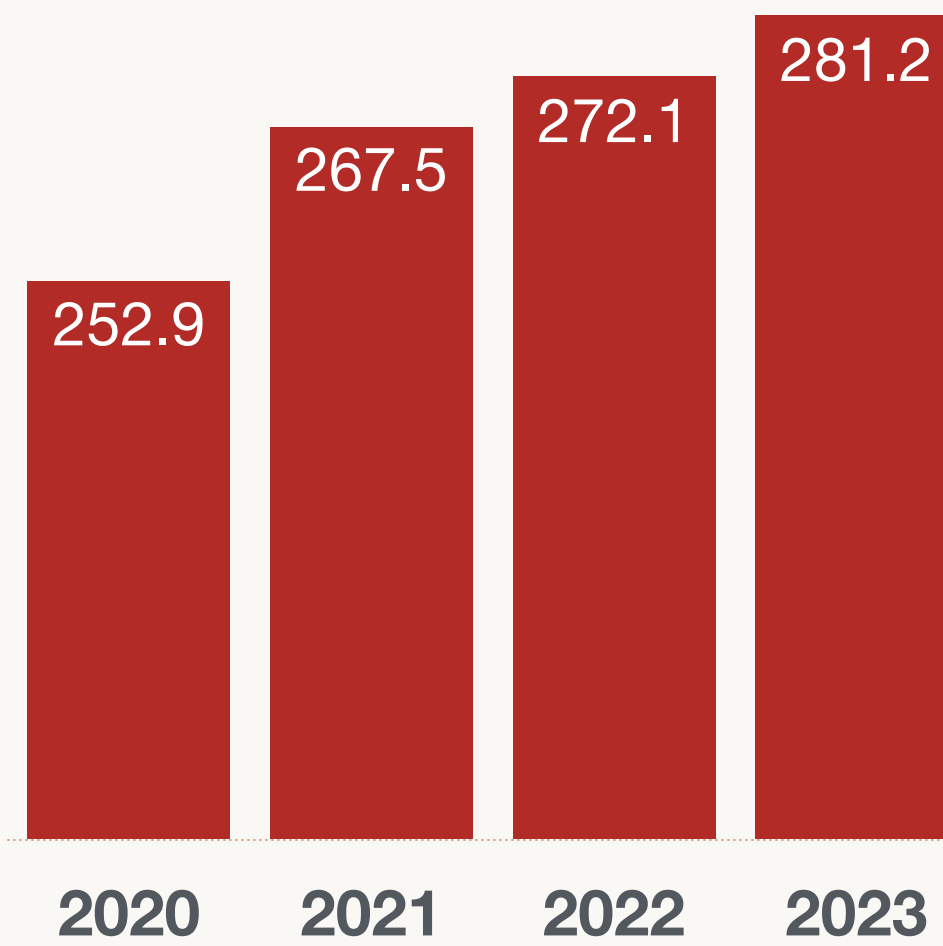


Balance Sheet as of Dec 31, 2023

KD Millions

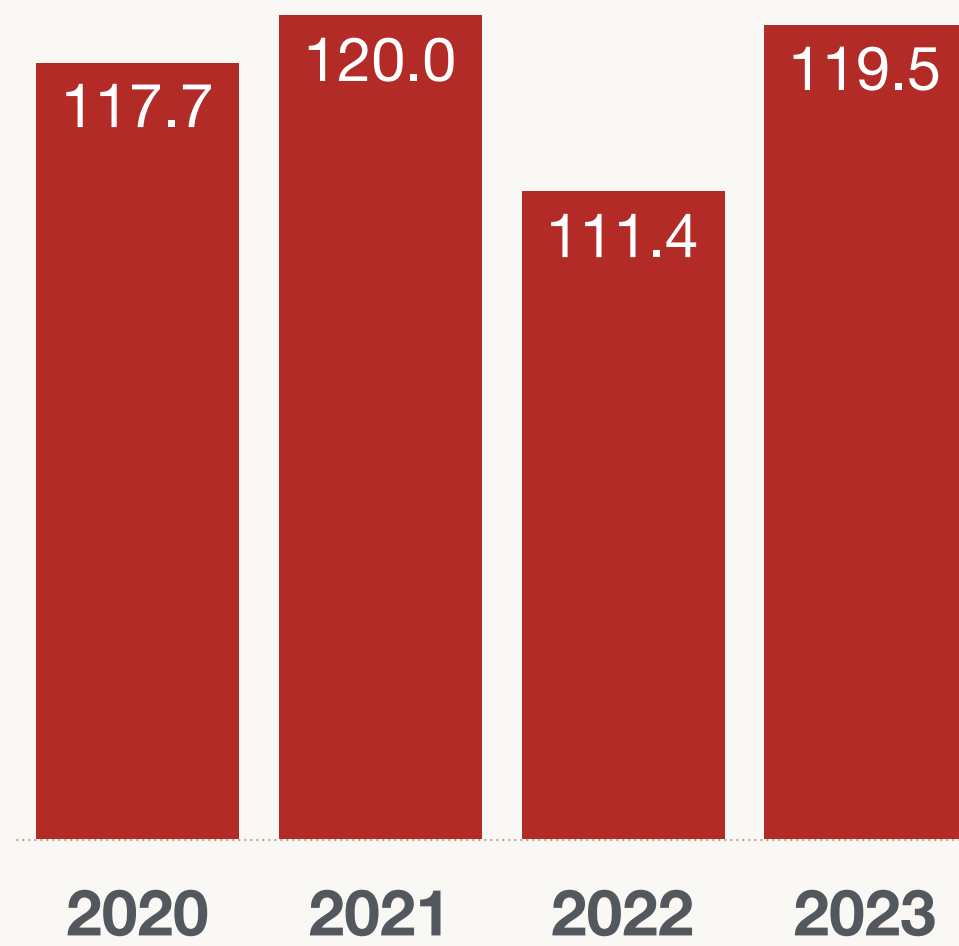
Total Assets

KD Millions



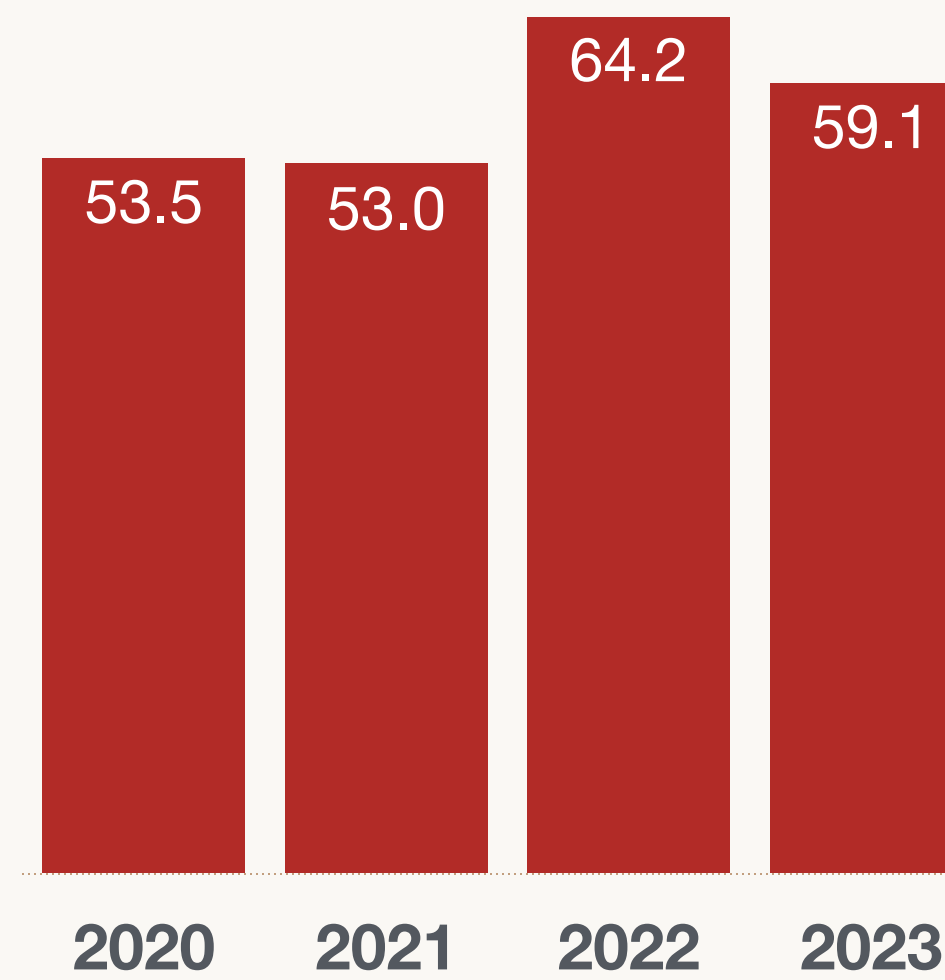
Equity

KD Millions



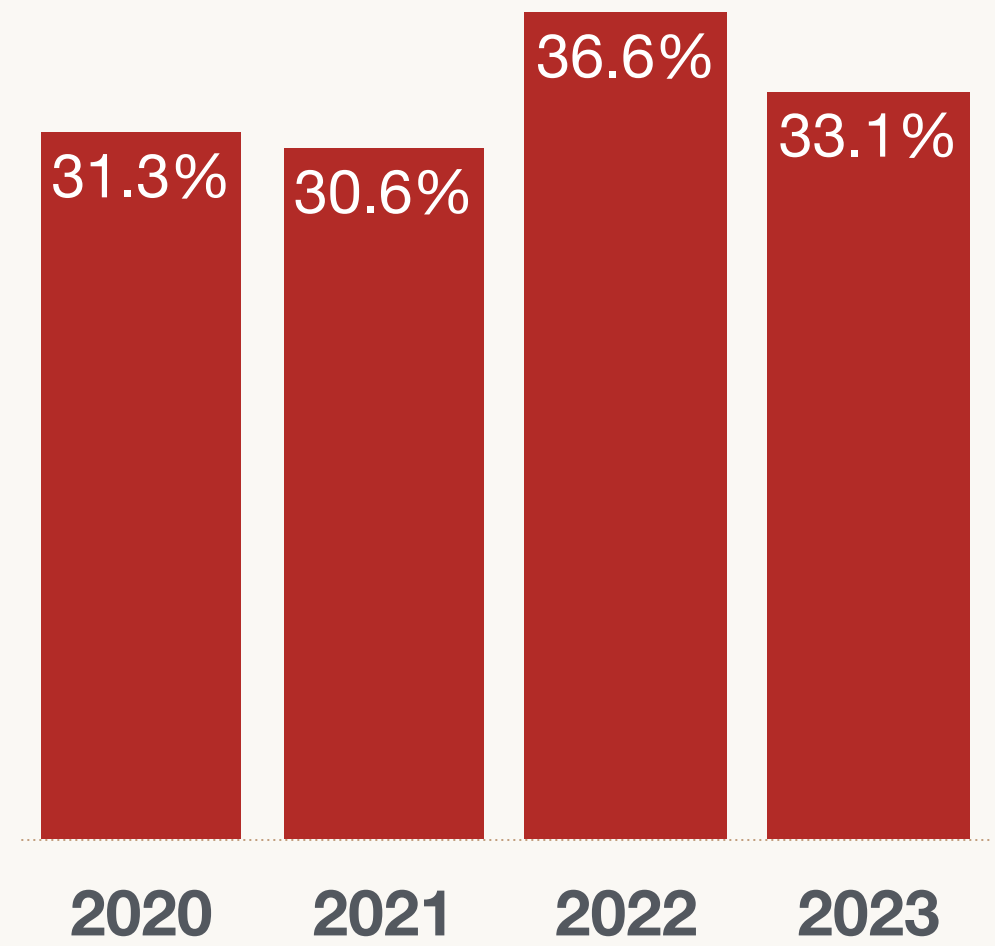
Net Debt

KD Millions



Net Debt to Capitalization

%





A note on debt levels (as of 31 December 2023)

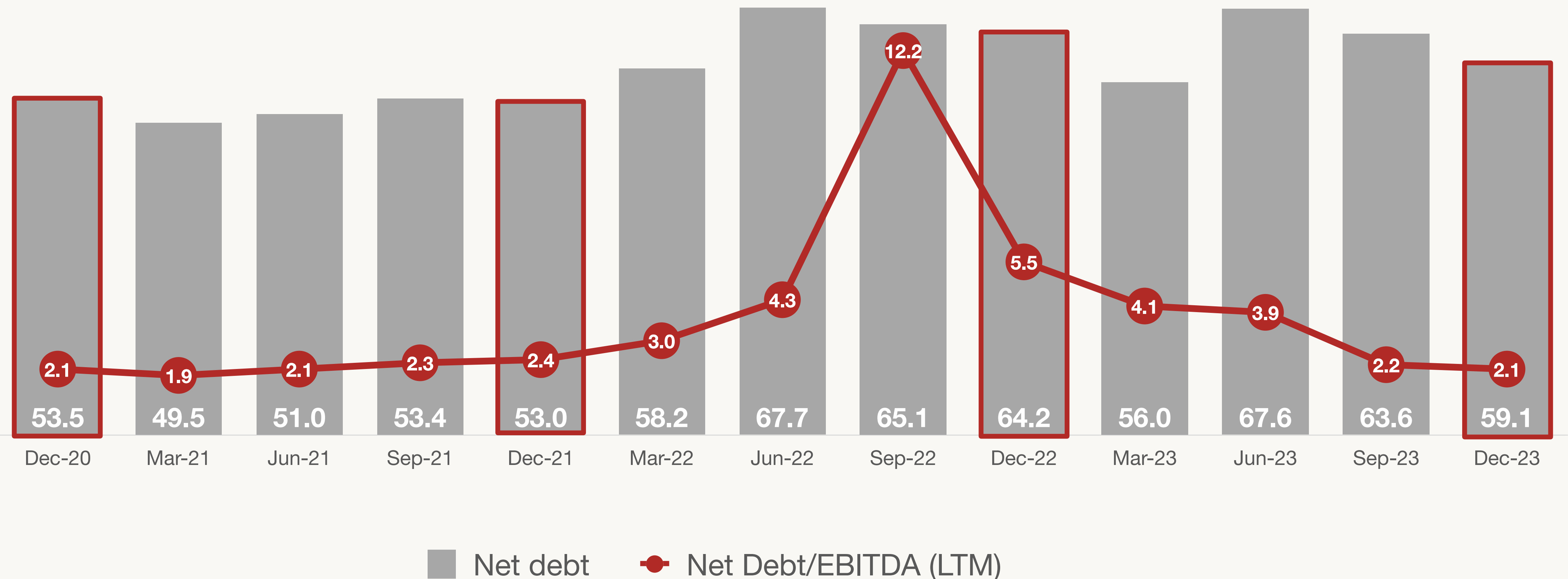
KD Millions



Net Debt stood at KWD 59.1mn

Down by KWD 5.11mn from December 2022 levels.

FY Net Debt / EBITDA \approx 2.1x down by 3.4x vs FY 2022





Q & A



Investor Relations Contact

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