

Q2 2024 Earnings Presentation

August 8, 2024



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Agenda

- Q2 2024 Highlights
- Results
- Financial Review
- Q&A



Mezzan Today: Earnings Highlights

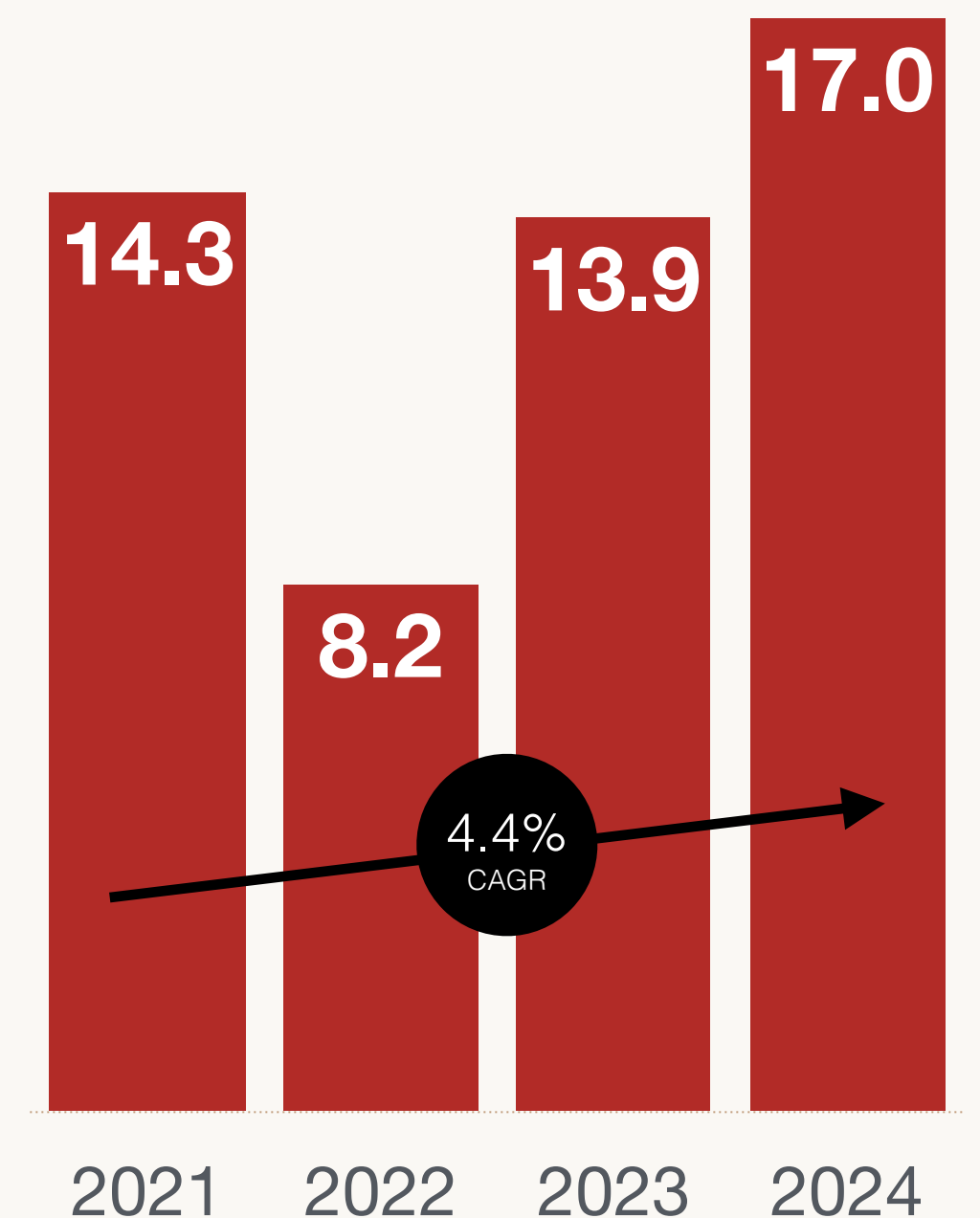
KD Millions

“ Achieved robust single-digit revenue growth, coupled with accelerated double-digit bottom-line expansion, highlighting our commitment to enhancing the quality of earnings. ”

	Q2'24	Q2'23	<i>% Diff</i>	H1'24	H1'23	<i>% Diff</i>
Revenue	66.7	61.4	+8.6%	152.2	140.4	+8.4%
Gross Margin	15.7	13.1	+19.5%	34.9	29.6	+18.2%
<i>GM%</i>	<i>23.5%</i>	<i>21.3%</i>		<i>23.0%</i>	<i>21.1%</i>	
EBITDA	6.8	5.6	+22.8%	17.0	13.9	+22.1%
Net Income	3.0	2.0	+48.4%	9.0	6.6	+37.1%
Net Profit <i>Attributable to equity holders of Parent Company</i>	2.7	1.7	+63.6%	8.5	5.9	+42.2%

Q2 EBITDA (2021-2024)

KD Millions



Significant growth in EBITDA of 22.1% in H1 2024, driven by gross margins expansion.

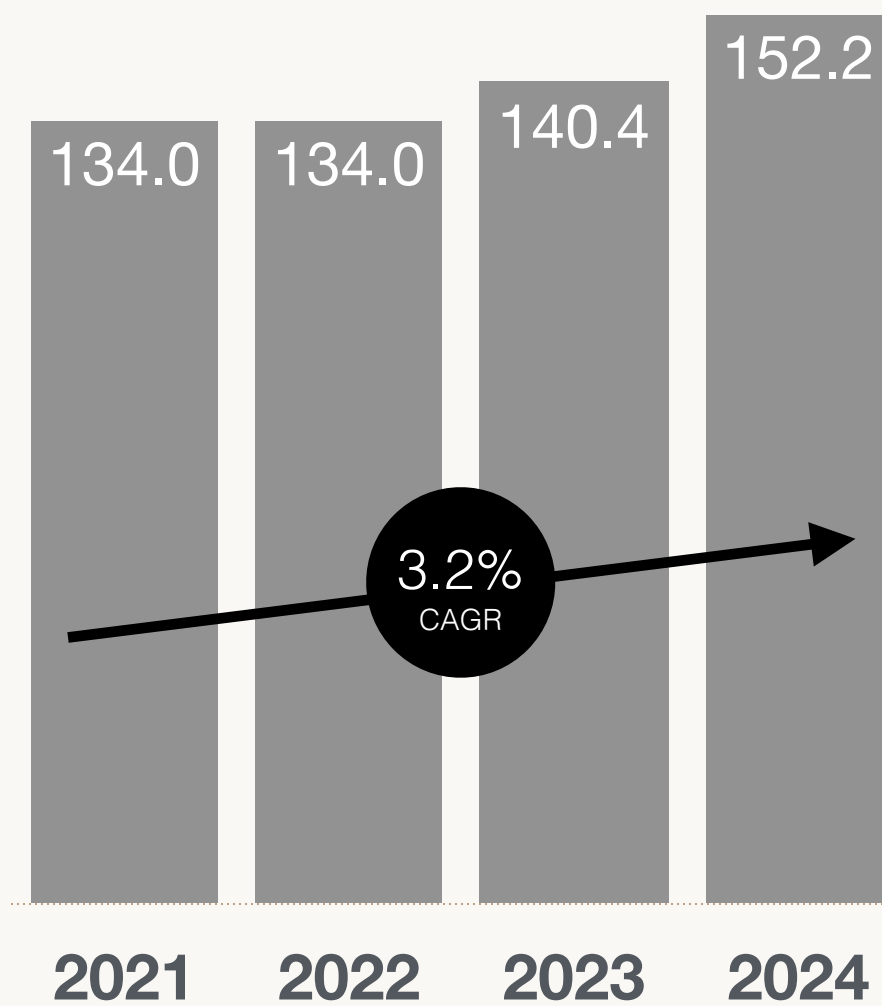
Note: All figures are rounded. Manual calculations for the variances and percentage difference may not align with the presented figures.



Mezzan Today: H1 Comparative Performance

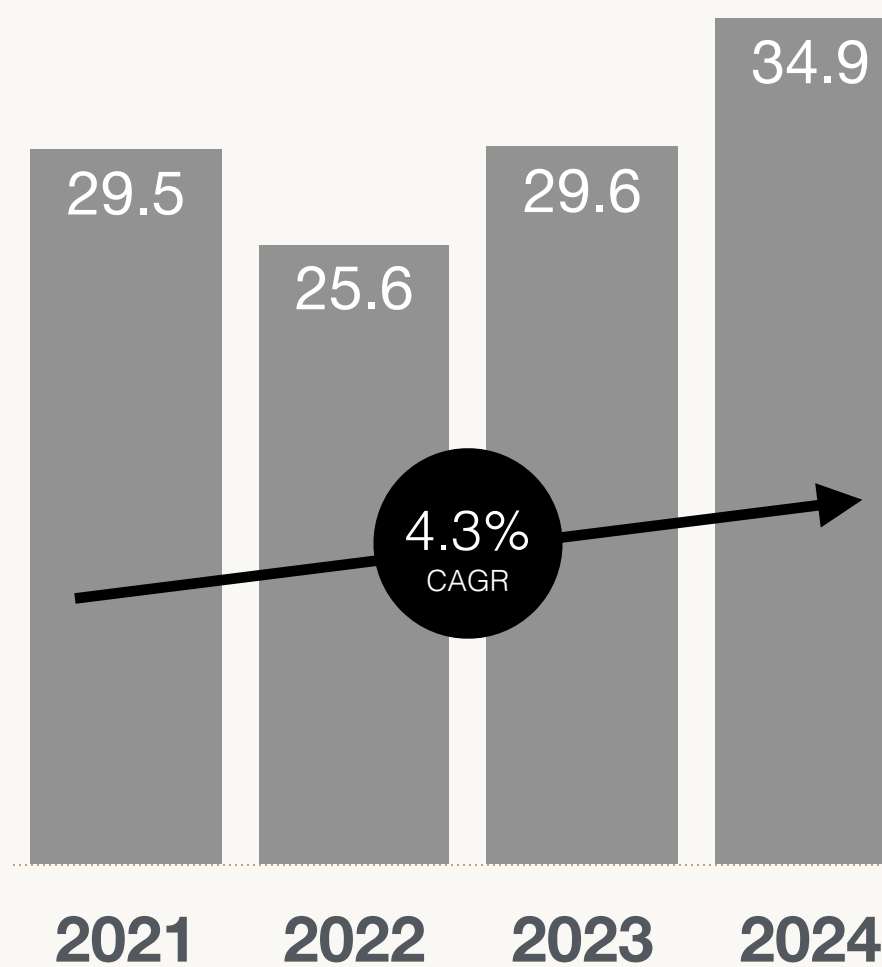
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H1 Revenue



 Revenue increased by 8.4%, driven by strong performance in Food M&D, Services, and FMCG.

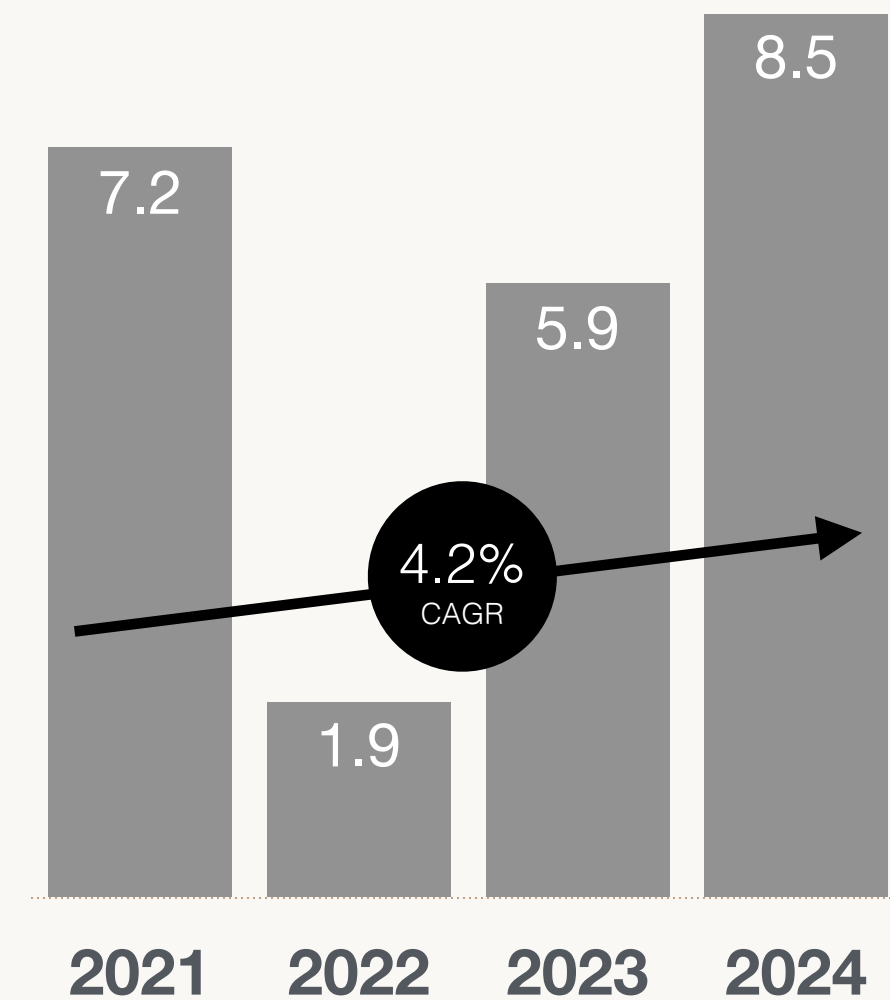
H1 Gross Profit



 Improved gross profit mainly driven by margin enhancement initiative.

H1 Net Profit

Attributable to equity holders of Parent Company



 Net profit improved by 42.2% compared to H1 2023, driven by higher operating profitability margins.

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Financial Review



H1'24 Revenue: Contribution by Business Line

FOOD REVENUE +7.8%

Vs.H1'23



64.1%

Share of of total Group Revenue

NON-FOOD REVENUE +9.5%

Vs.H1'23



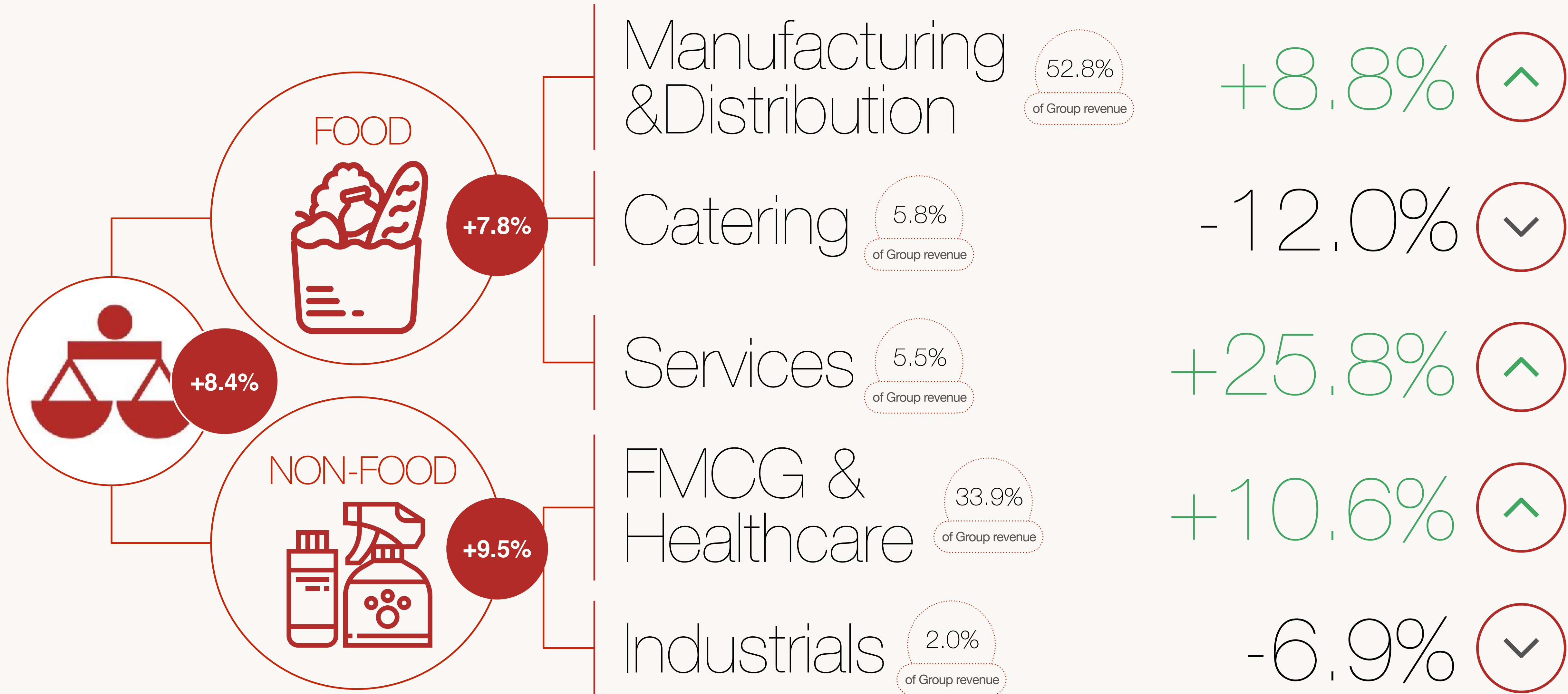
35.9%

Share of of total Group Revenue



H1'24 Revenue: Growth by Business Division

Vs.H1'23



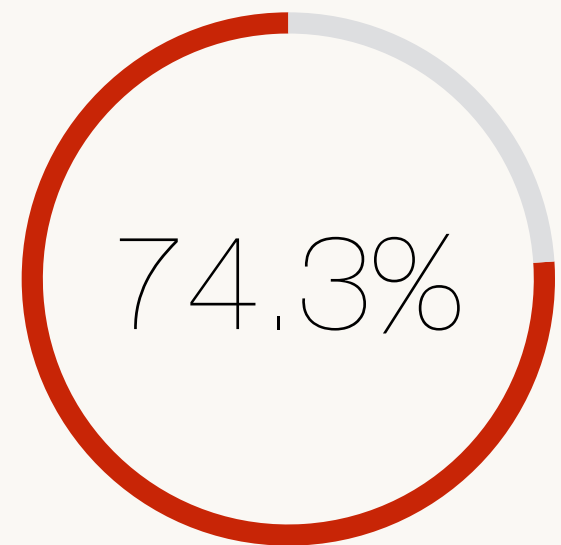


H1'24 Revenue: Contribution and Growth by Country

○ Top-line Contribution

Vs.H1'23

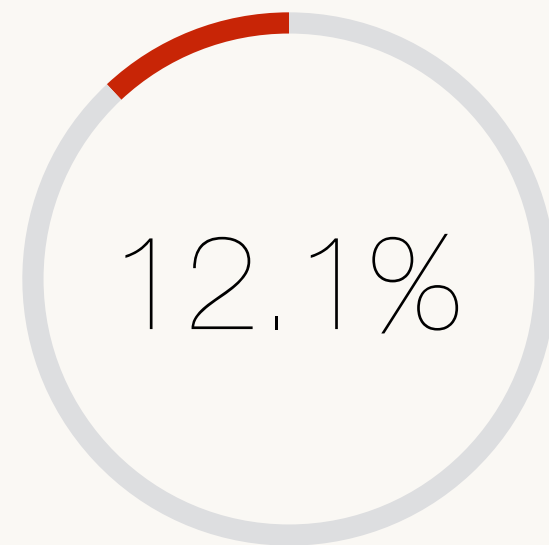
Kuwait



+9.4%

✎ Solid performance in Food M&D, and FMCG & Healthcare.

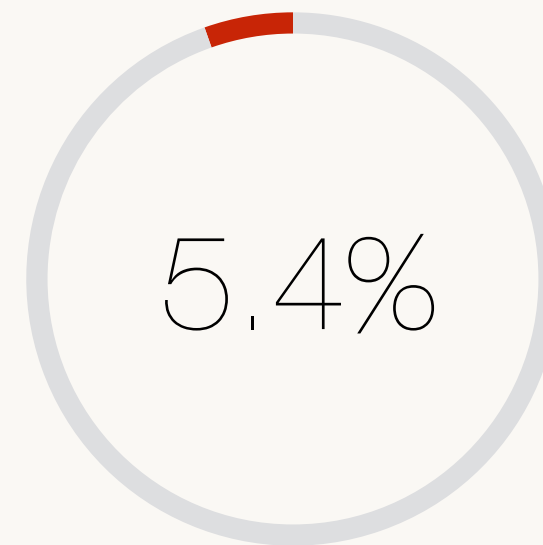
UAE



+8.4%

✎ UAE operations steadily grow with focused distribution of energy drinks and bottled water portfolio.

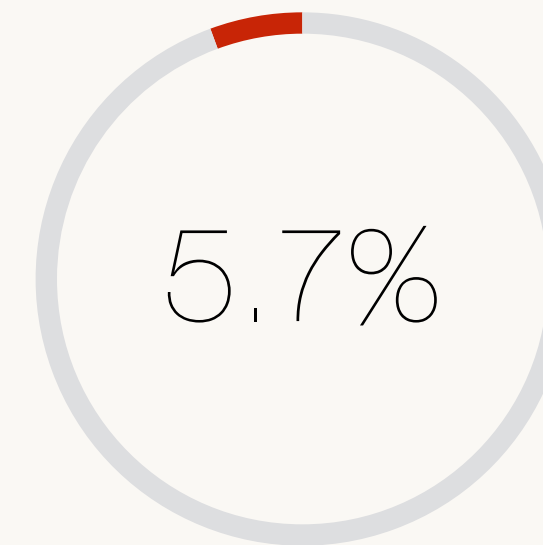
Qatar



-18.3%

✎ Qatar revenue decline due to customer portfolio optimization in catering.

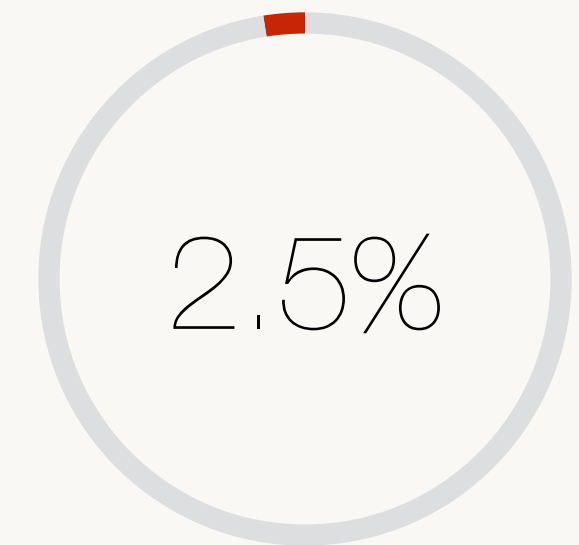
Jordan*



+39.7%

✎ Revenue increase attributed to expanded retail and venture business.

KSA



+1.6%

✎ Positive momentum driving sequential improvement.

* Includes the venture business in Iraq.



H1'24: P&L

KD Millions

	<u>Q2'24</u>	<u>Q2'23</u>	<u>% Diff</u>	<u>H1'24</u>	<u>H1'23</u>	<u>% Diff</u>
Revenue	66.7	61.4	8.6%	152.2	140.0	8.4%
Gross Margin	15.7	13.1	19.5%	34.9	29.6	18.2%
	<i>GM %</i>	<i>23.5%</i>	<i>21.3%</i>	<i>23.0%</i>	<i>21.1%</i>	
SG&A / Other	-11.0	-9.7	12.9%	-22.3	-20.0	-11.5%
Operating Profit	4.7	3.4	38.3%	12.6	9.5	32.1%
Other	-1.6	-1.3	23.5%	-3.1	-2.7	18.3%
Underlying Profit before Tax	3.1	2.1	47.4%	9.5	6.9	37.4%
Tax	-0.1	-0.1	29.4%	-0.4	-0.3	-45.2%
Reported Net Profit	3.0	2.0	48.4%	9.0	6.6	37.1%
	<i>UNP %</i>	<i>4.4%</i>	<i>3.3%</i>	<i>5.9%</i>	<i>4.7%</i>	<i>20.8%</i>
Net Profit Attributable to Shareholders	2.7	1.7	63.6%	8.5	5.9	42.2%

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H1'24: Cashflow

KD Millions

	Q2'24	Q2'23	Diff	H1'24	H1'23	Diff
Operating cashflow before WC changes	6.8	5.8	1.0	17.2	14.4	2.7
Working capital / Other	-4.3	-9.7	5.3	-9.7	-7.2	-2.5
Operating cashflow	2.5	-3.9	6.4	7.5	7.3	0.2
CAPEX / Other Investing Activities	-3.4	-2.2	-1.2	-5.1	-3.0	-2.1
Cash flow before Financing	-0.9	-6.1	5.1	2.4	4.3	-1.9
Dividends & purchase of treasury shares	-5.8	-3.8	-2.0	-5.8	-4.1	-1.7
Financing costs / other	-2.0	-1.6	-0.3	-3.9	-3.5	-0.4
Cash flow after financing	-8.7	-11.5	2.8	-7.4	-3.3	-4.1
Change in Net Debt	-8.7	-11.5	2.9	-7.4	-3.3	-4.0



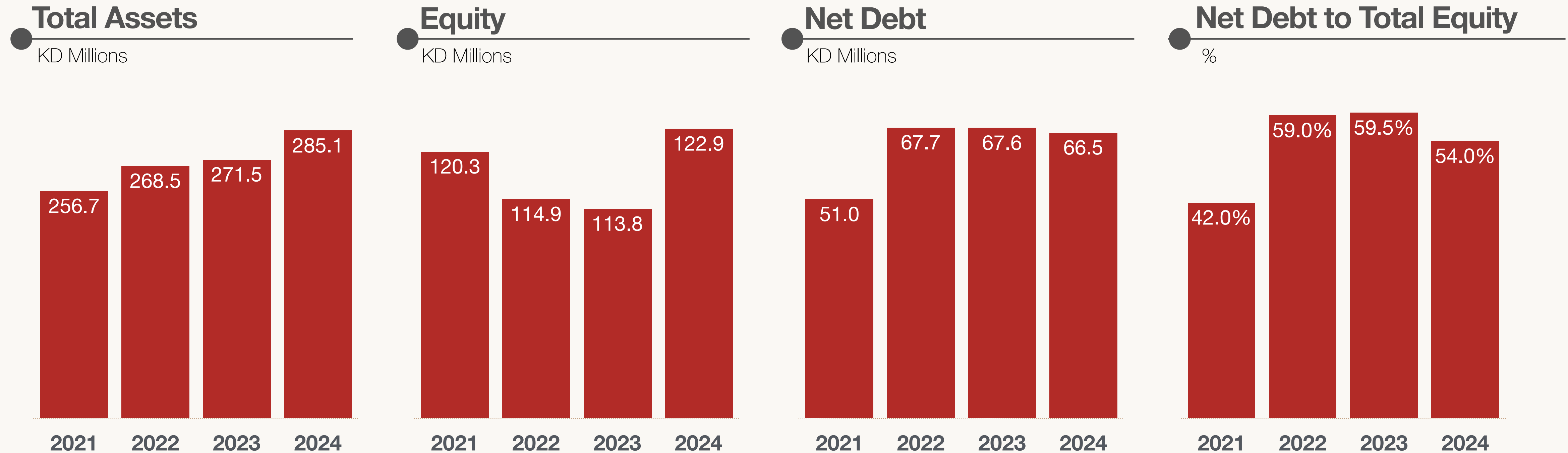
Note: CAPEX for H1 2024 totaled KWD 6.5 million, up from KWD 3.7 million in H1 2023, mainly driven by Al-Shifa Pharma project.

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Balance Sheet as of June 30, 2024

KD Millions



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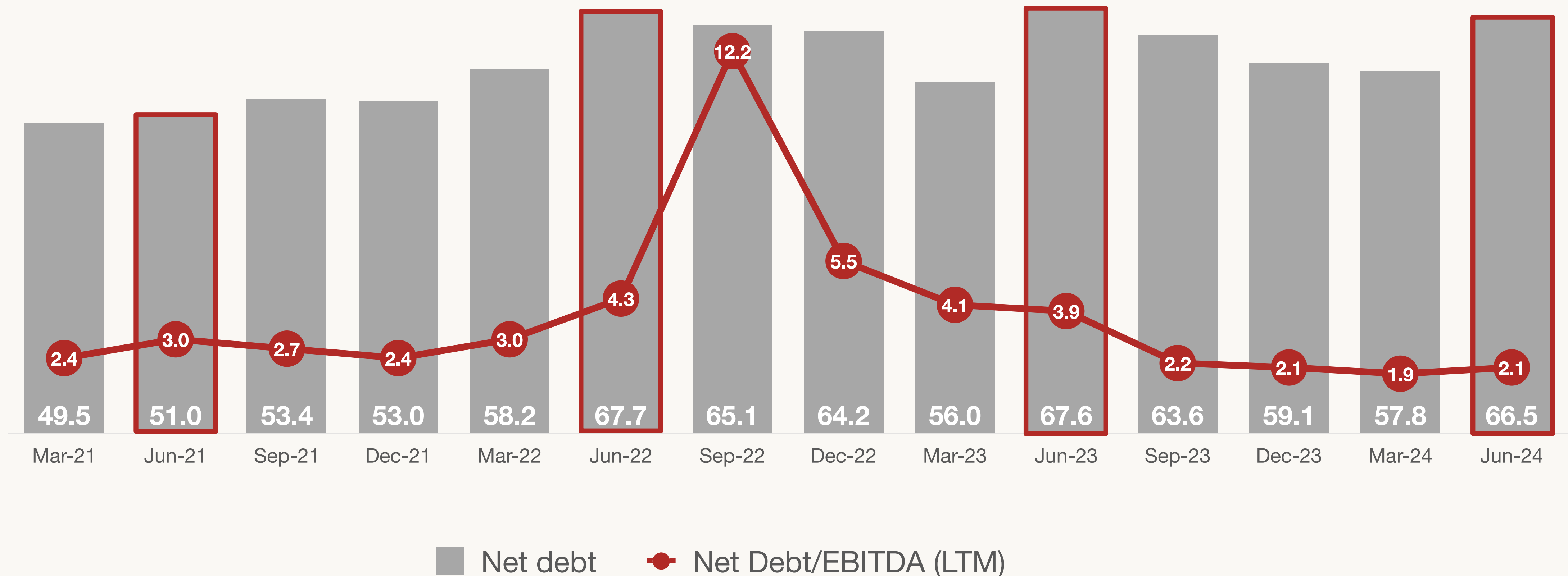
A note on debt levels

KD Millions



As of 30 June 2024: Net Debt stood at KWD 66.5mn, down by KWD 1.1mn from June 2023 levels.

- LTM Net Debt / EBITDA of 2.1x down by 1.8x vs H1 2023





Q & A



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