



Q3 2020 Earnings Presentation

November 16, 2020



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Agenda

- Tailwinds & Headwinds
- Q3 2020 Highlights
- Historical Performance
- Financial Review
- Q&A





Mezzan Today: Tailwinds

- Strong top line performance driven by consumer business despite recent reversal of trends (back to normal)
 - Food M&D
 - FMCG and Healthcare
 - Benefited from opportunistic business given COVID
- Gross margin expansion enhancing operating profit margins
- Higher operating profit and reduced borrowing cost
- Enhanced working capital cycle
- Reduction in indebtedness and financing costs





Mezzan Today: Headwinds

- Catering revenue drop, albeit not impacting profitability
- Select market segments still closed schools etc.
- Slow activity of food services segment
- Supply chain disruptions issues for some portfolio items





Mezzan Today: Highlights

KD Millions

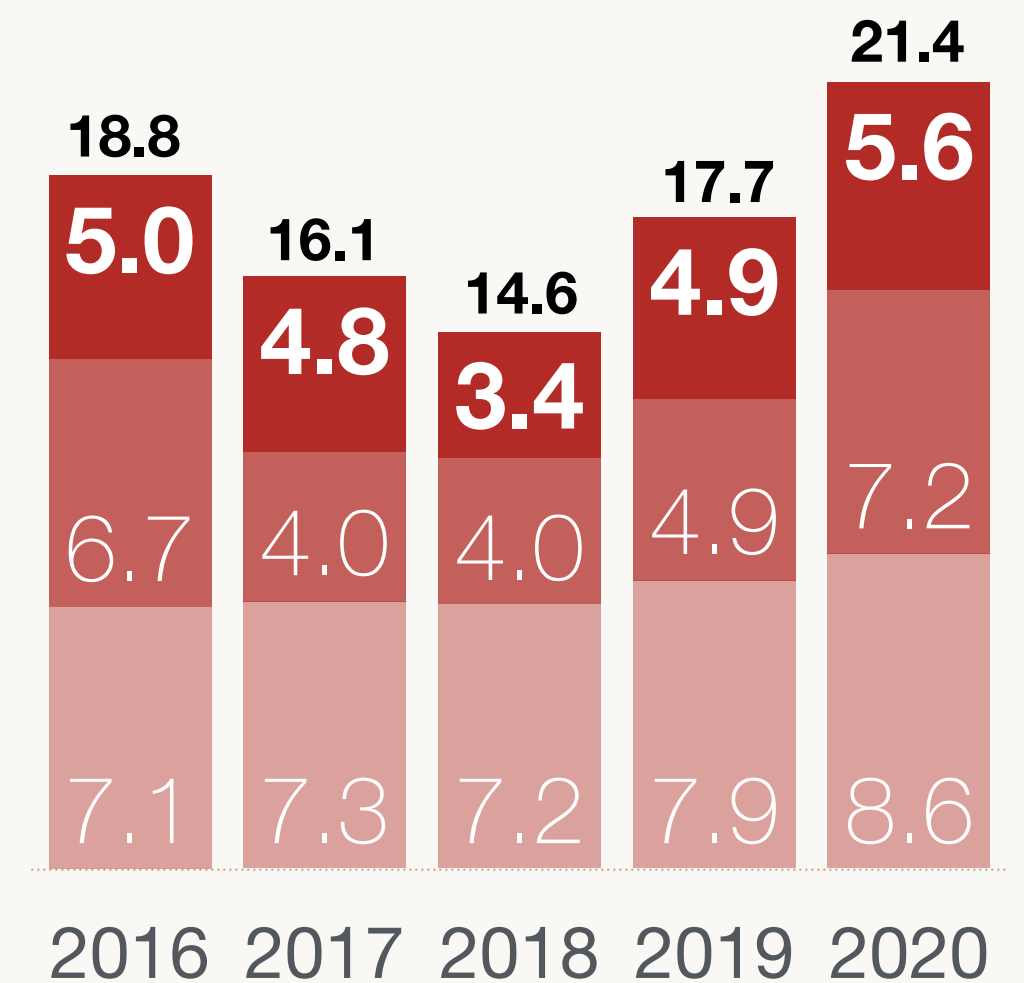
	3Q20	3Q19	<i>% Diff</i>	YTD20	YTD19	<i>% Diff</i>
Revenue	60.1	54.8	+9.7%	194.4	169.8	+14.5%
Gross Profit	15.2	12.4	+22.2%	47.1	38.7	+21.6%
EBITDA	5.6	4.9	+14.4%	21.4	17.7	+20.8%
Net Profit	2.6	1.9	+38.6%	11.6	9.0	+28.1%
Net Profit	2.1	1.8	+17.5%	10.3	9.1	+12.4%

*Attributable to
Equity Holders of
Parent Company*

EBITDA (2016-2020)

KD Millions

Q1 Q2 Q3



Driven by expansion and cost cutting capex programs recently completed, EBITDA improved by **14.4%** in Q3 on the back of higher gross profit.



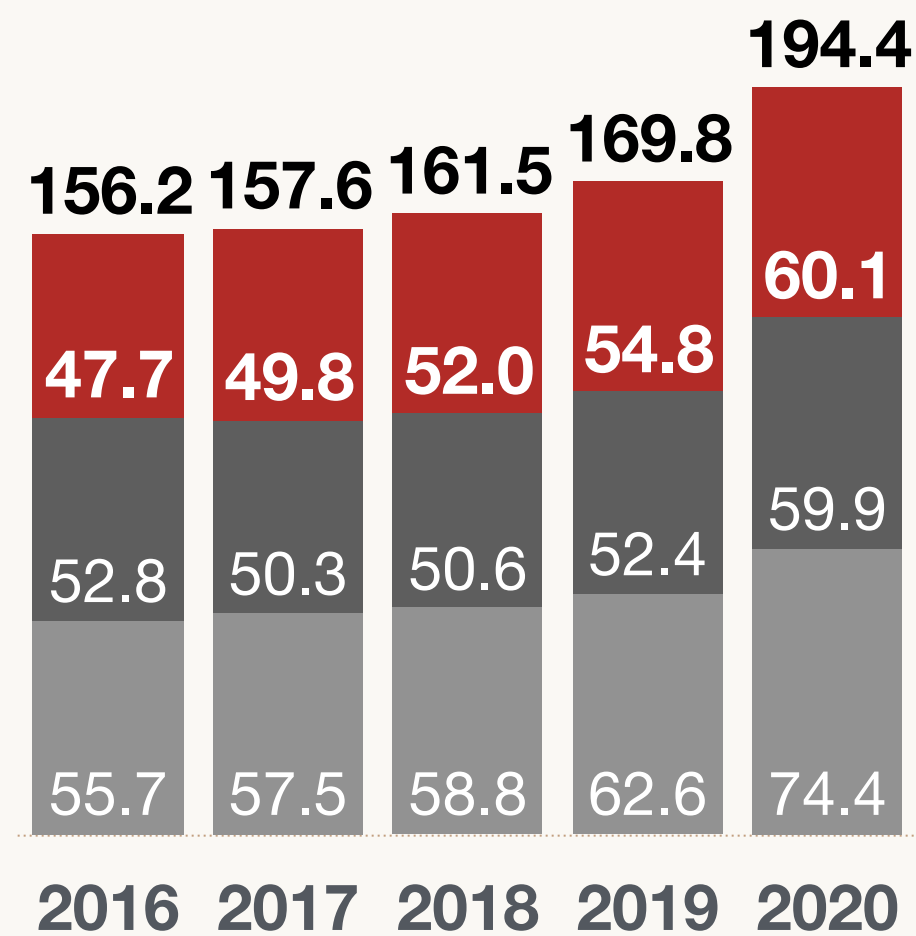


Mezzan Today: Historical Performance

KD Millions

Revenue

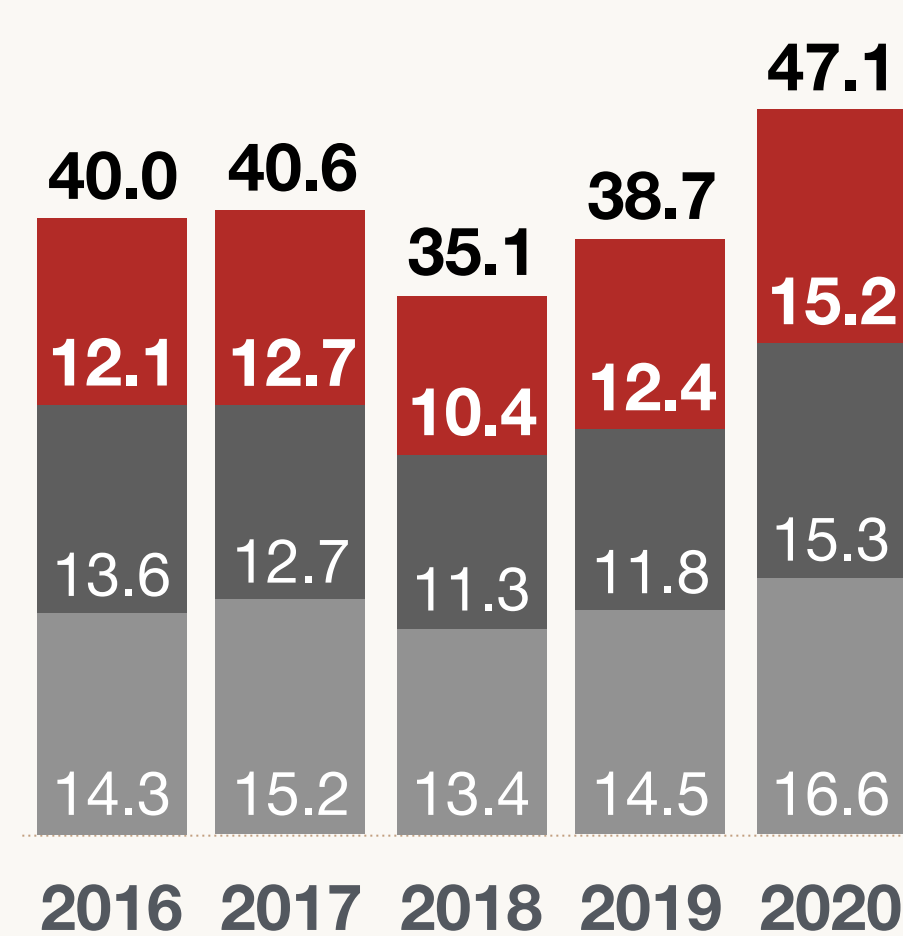
■ Q1 ■ Q2 ■ Q3



YTD Revenue grew by 14.5% 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.

Gross Profit

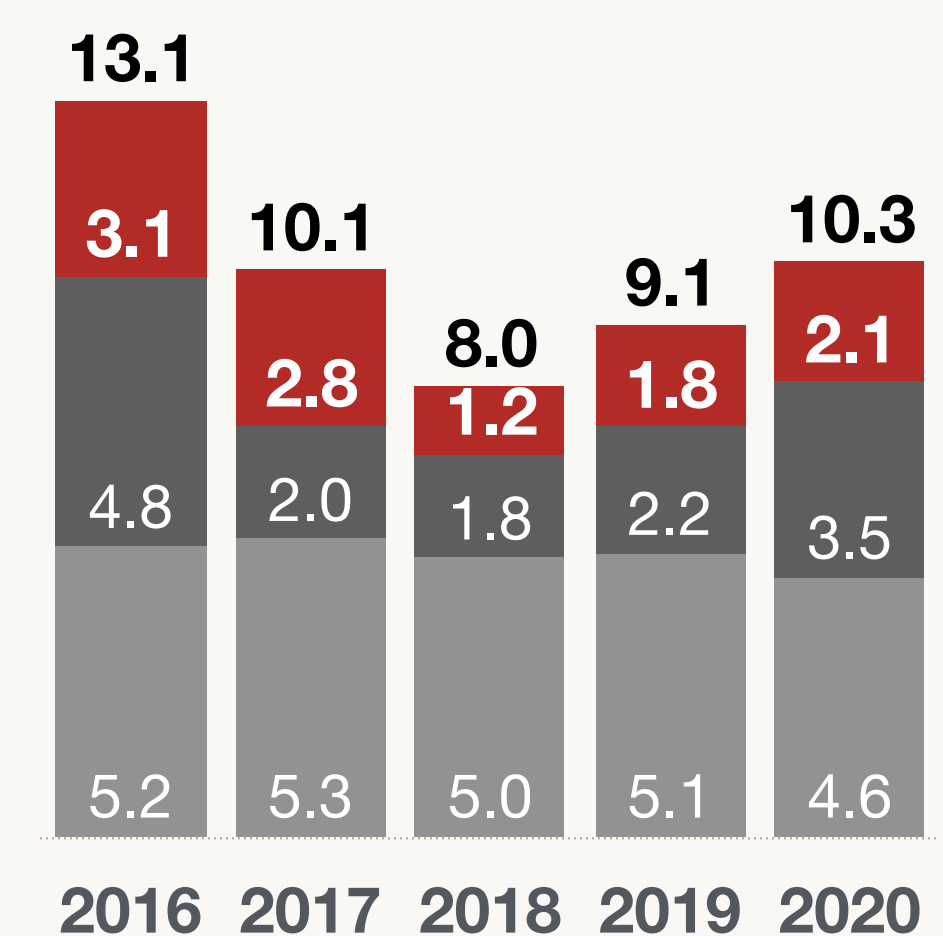
■ Q1 ■ Q2 ■ Q3



In Q3, gross profit increased by 22.2% while margins stood at 25.2% (up by 260bps) from Q3 2019.

Net Profit ^(a)

■ Q1 ■ Q2 ■ Q3



Net income improved compared to last year given increase in higher operating profitability margins and reduced borrowing cost.

(a) Attributable to equity holders of parent company



Financial Review





YTD2020: Contribution by Business Line

FOOD REVENUE +5.7%

Vs.YTD19



66.6%

Share of of total Group Revenue

NON-FOOD REVENUE +37.1%

Vs.YTD19



33.4%

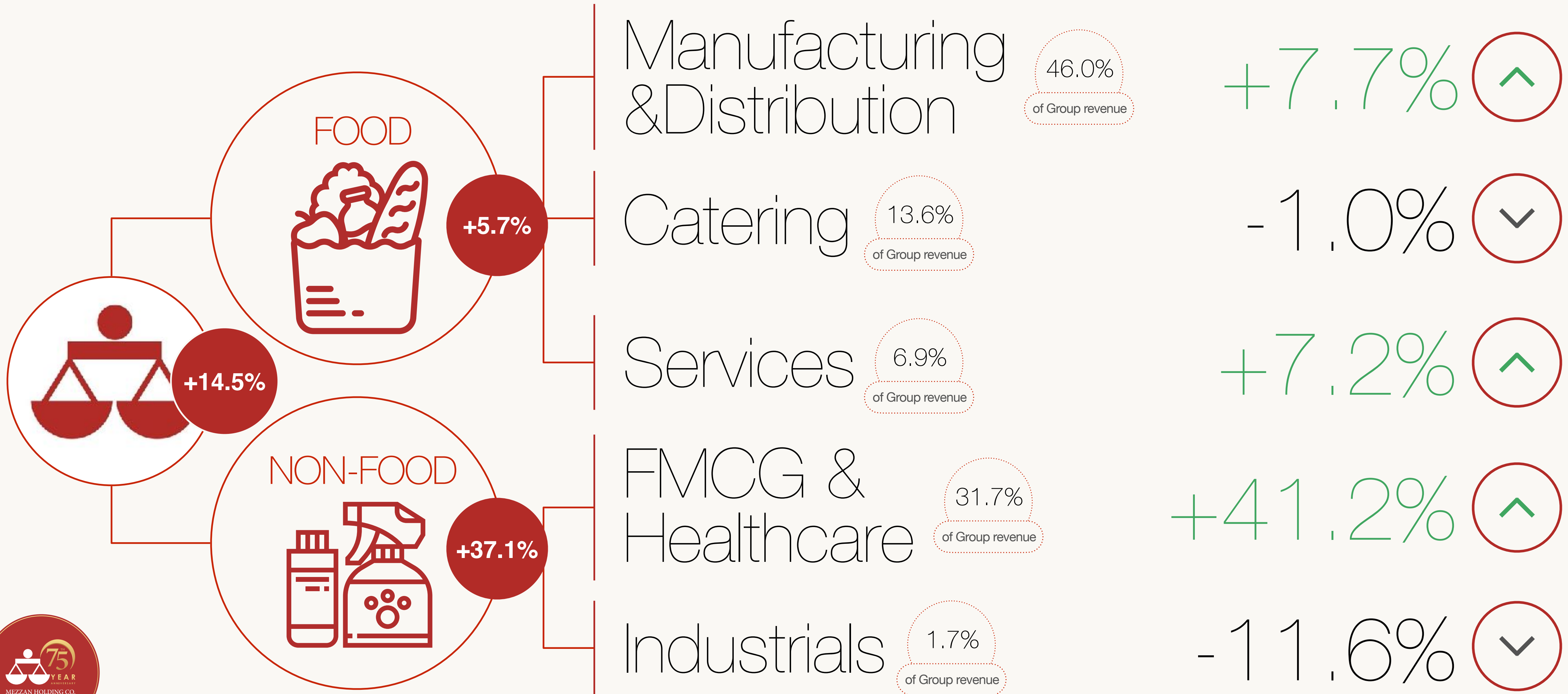
Share of of total Group Revenue





YTD2020 Revenue: Growth by Business Division

Vs.YTD19



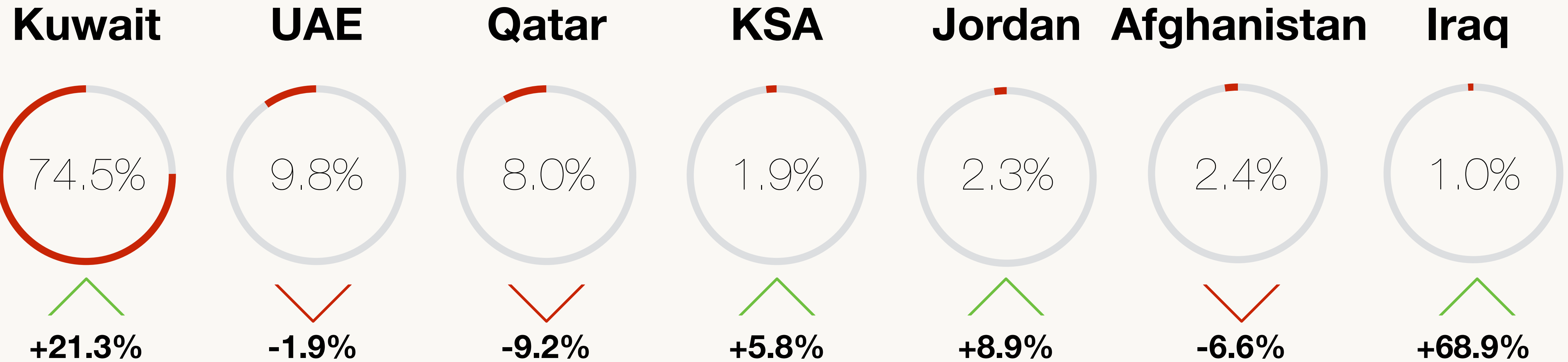


Revenue: Contribution and Growth by Country

YTD20

Vs.YTD19

 Top-line Contribution





YTD2020: P&L

KD Millions

	3Q20	3Q19	<i>% Diff</i>	YTD20	YTDQ19	<i>% Diff</i>
Revenue	60.1	54.8	+9.7%	194.4	169.8	+14.5%
Gross Margin	15.2	12.4	+22.2%	47.1	38.7	+21.6%
	GM%	25.3%	22.7%	24.2%	22.8%	
SG&A	-11.8	-9.5	+24.6%	-32.4	-26.6	+21.7%
Others	-0.7	-0.9	-30.2%	-2.6	-2.6	+2.3%
Underlying profit before tax	2.7	2.0	+37.0%	12.1	9.5	+27.8%
Tax	-0.1	-0.1	+8.1%	-0.5	-0.5	+21.5%
Net Profit	2.6	1.9	+38.6%	11.6	9.0	+28.1%
	NPM%	4.3%	3.4%	6.0%	5.3%	
Net Profit to Shareholders	2.1	1.8	+17.5%	10.3	9.1	+12.4%





YTD2020: CASHFLOW

KD Millions

	YTD20	YTD19	<i>Diff</i>
Operating Cash Flow <i>before WC changes</i>	24.8	18.7	6.12
Working Capital	6.1	-13.5	19.58
Operating Cash Flow	30.9	5.2	25.70
CAPEX / Other investing activities	-4.5	-26.1	21.60
Cash Flow before financing	26.4	-20.9	47.30
Dividends / Financing / Other	-8.4	-8.2	-0.11
Decrease (Increase) in Net Debt	18.1	-29.1	47.19





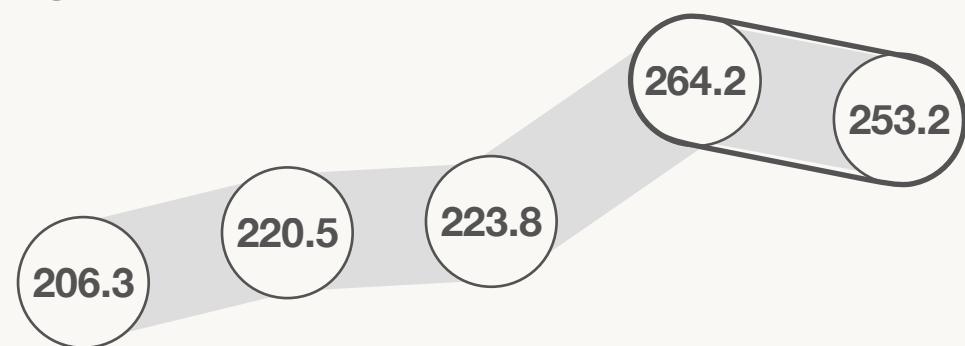
Balance Sheet as of Sep 30

KD Millions

Total Assets

KD Millions

Growth from previous period driven by acquisition and growth

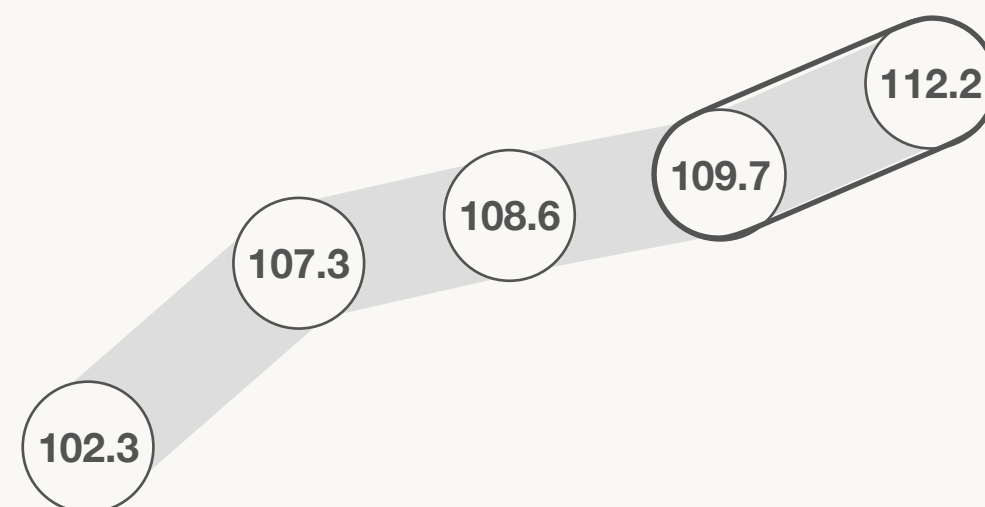


2016 2017 2018 2019 2020

Growth from previous driven by acquisition and growth

Equity

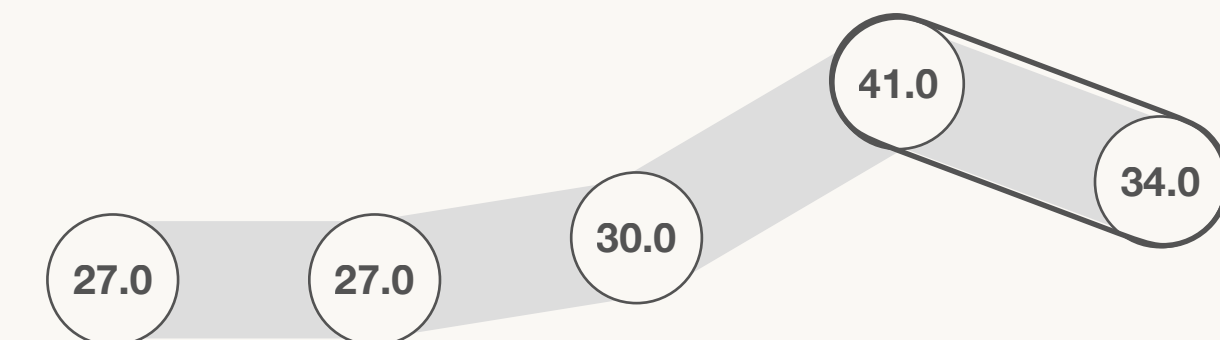
KD Millions



2016 2017 2018 2019 2020

Net Debt to Capitalization

%



2016 2017 2018 2019 2020

*Net debt dropped from KWD74.4m in Dec 2019, to KWD73.0m in March 2020 to KWD 57.6m in June 2020 to KWD 56.7m in September 2020
Growth from pervious driven by acquisition and growth*





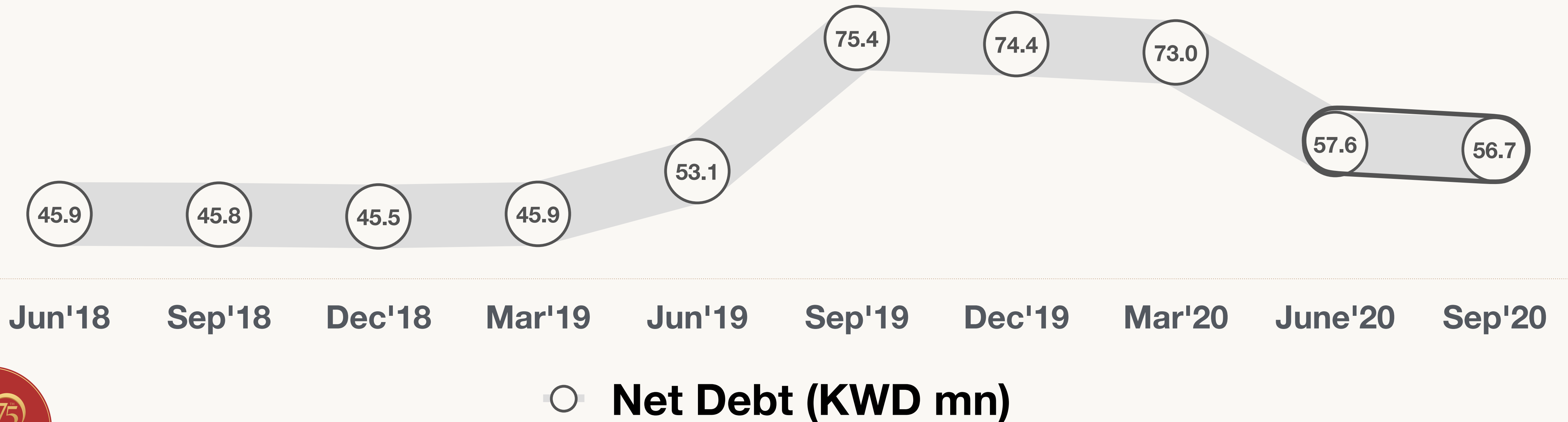
Net Debt as of Sep 30, 2020

KD Millions



Net Debt stood at c.KWD56.7 mn
Down by c. KWD 18.7 mn from Sep 2019 levels and KWD 17.7 mn from Dec 2019

Net Debt / EBITDA of 2.3x
Down from 4.0x in Sep 2019 and 3.6x in Dec 2019
Lowest in two years, back to pre-acquisition levels





Q&A



