



Q1 2021 Earnings Presentation

May 17, 2021



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Agenda

- Tailwinds & Headwinds
- Q1 2021 Highlights
- Historical Performance
- Financial Review
- Q&A





Mezzan Today: Tailwinds

- Continued progress in our core brands
- Good Cash management continues
- KLOC refinery now operational





Mezzan Today: Headwinds

- Annualizing against the panic buying at the start of Covid
- Troop withdrawals
- Annualizing against quarantine meals in Kuwait last year
- Lockdowns and restrictions continue to cause turbulence





Mezzan Today: Earnings Highlights

KD Millions

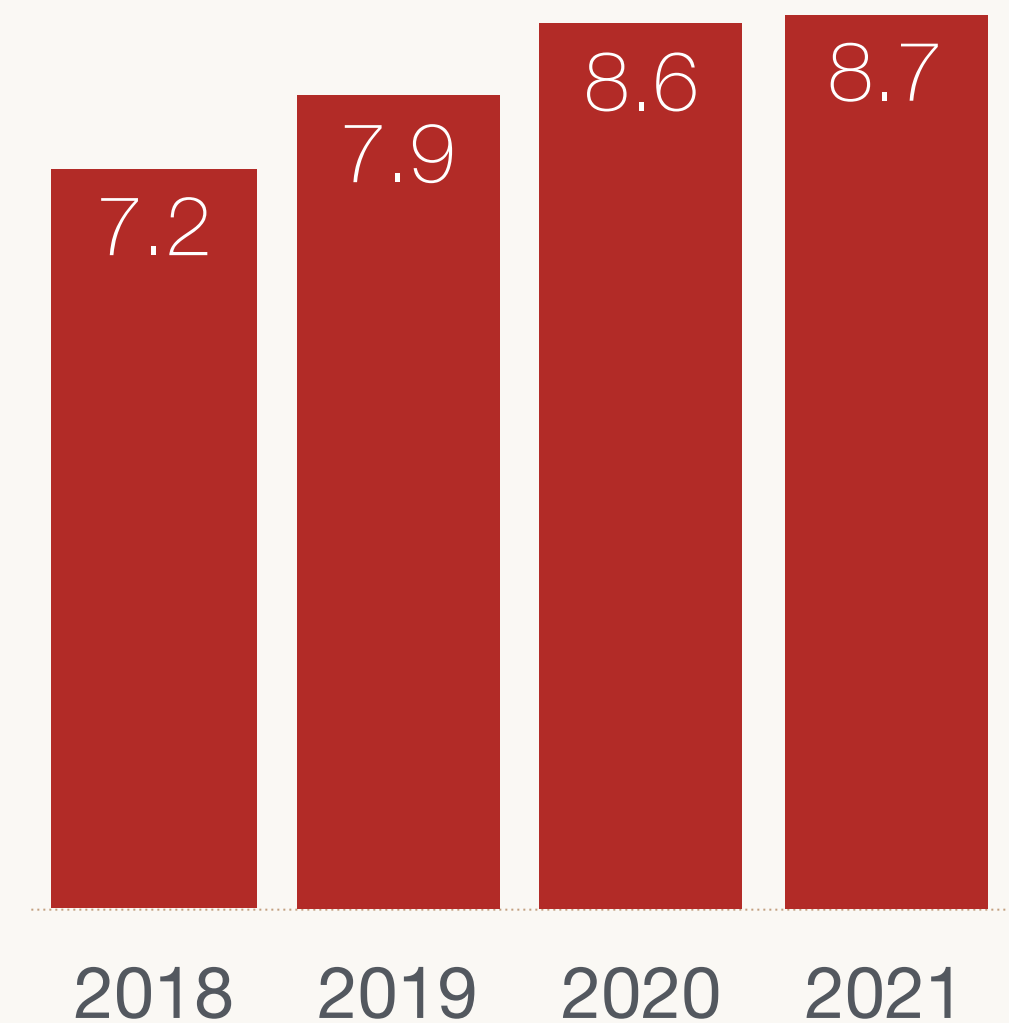
	1Q21	1Q20	<i>% Diff</i>
Revenue	73.4	74.4	-1.4%
Gross Profit	16.2	16.6	-2.5%
EBITDA	8.7	8.6	+1.0%
Net Income	5.6	5.2	+8.0%
Net Profit	5.0	4.6	+6.8%

Attributable to Equity Holders of Parent Company

Q1 EBITDA (2018-2021)

KD Millions

■ Q1



EBITDA up by 1% (KWD +0.1mn), driven by decrease in SG&A expenses.

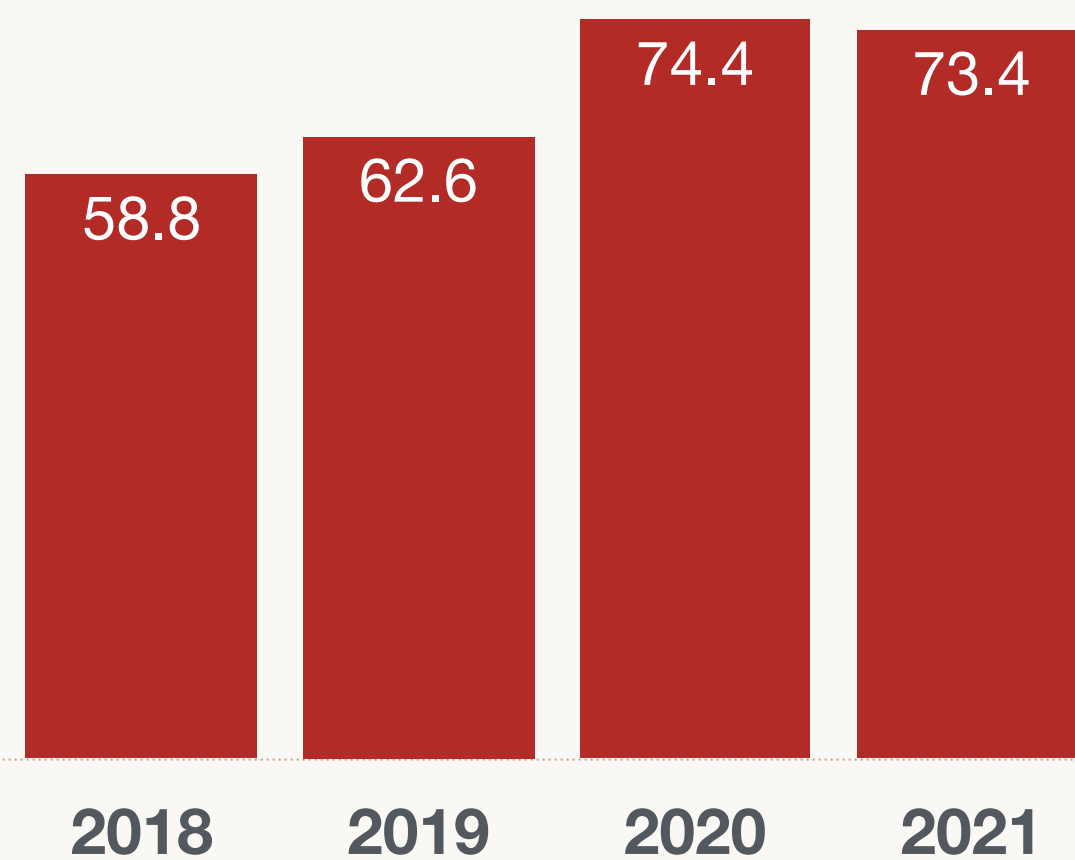




Mezzan Today: Historical Performance

KD Millions

Q1 Revenue

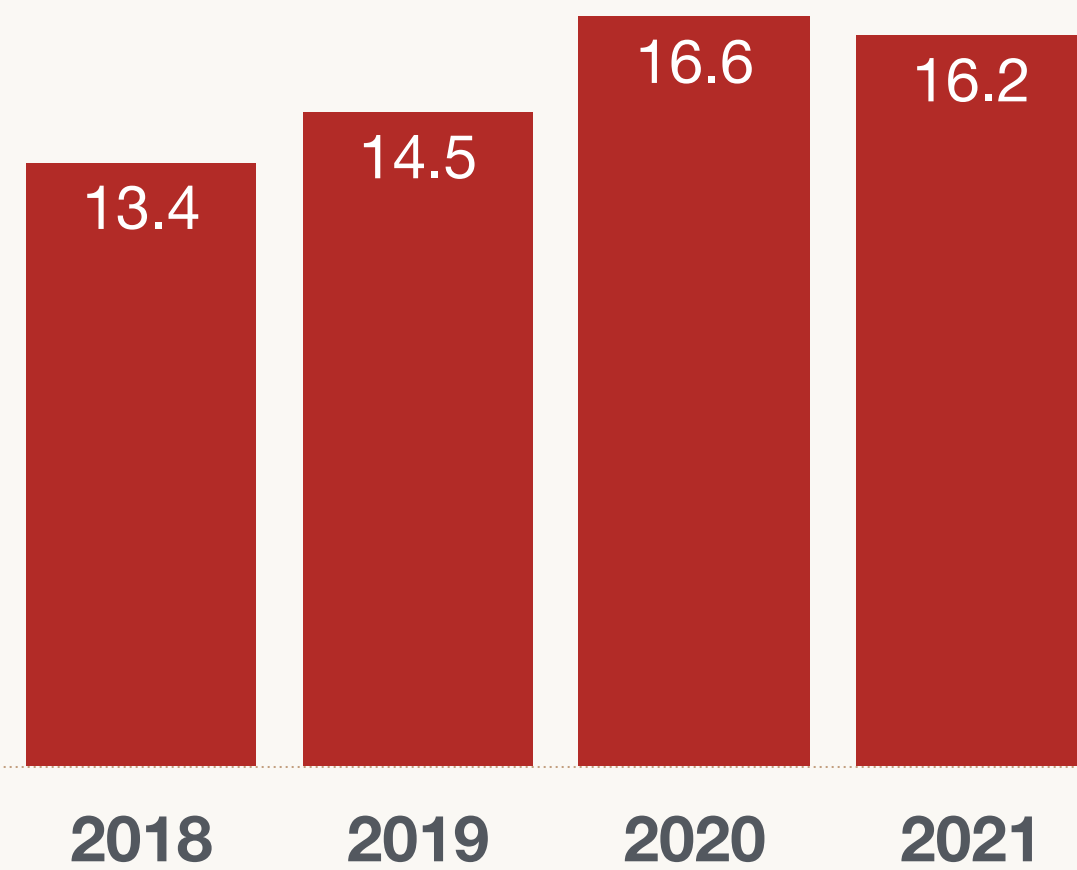


-1.39% (-KWD 1.04mn)

Food group declined by -3.59% largely due to decrease in Services (U.S Troops) decline by -21.14% and Catering declined by -15.64% however Food Manufacturing and Distribution increased by +1.95%.

Non Food grew by +2.22% which was driven by growth in FMCG +1.47%, and Industrials increased by +19.05%.

Q1 Gross Profit

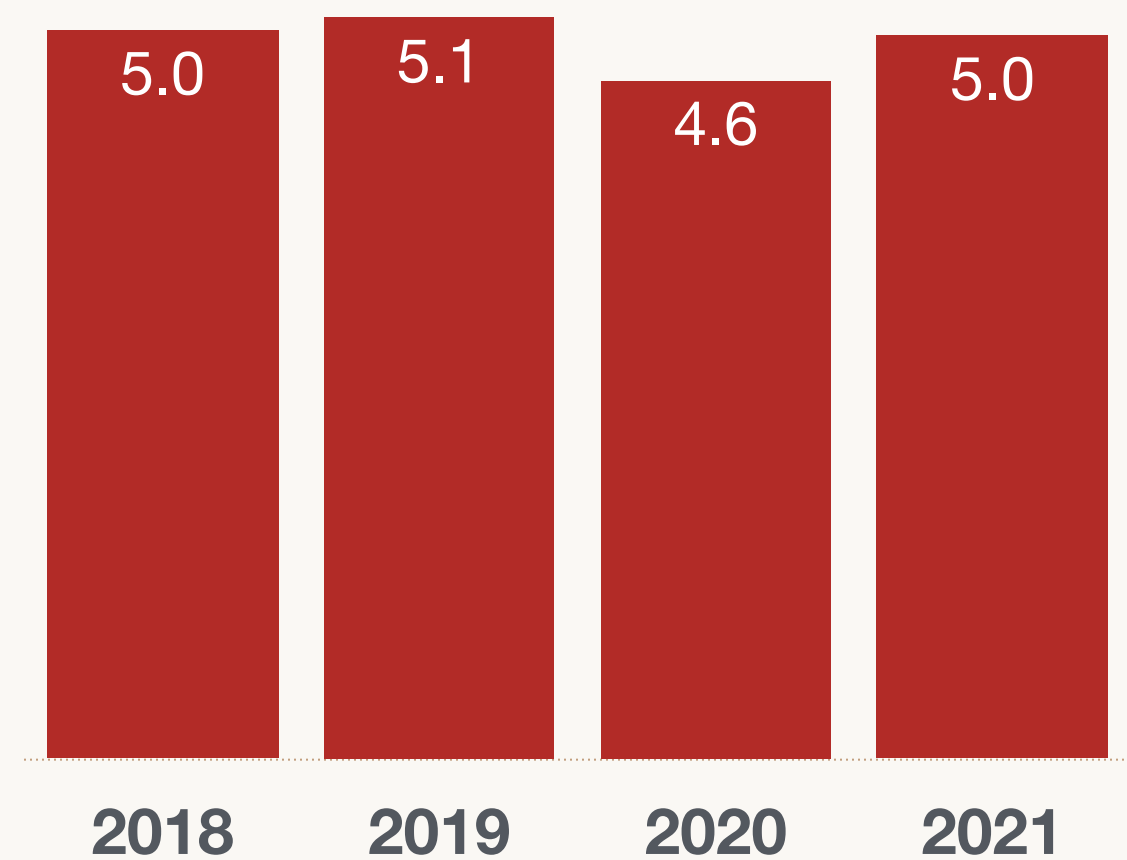


-2.45% (-KWD 0.41mn)

Gross Margin: 22.08% vs 22.32%, → 0.24%.

Q1 Net Profit

Net Profit to Parent



+6.8% (+KWD 0.315mn)

Net income improved by operating results.



Financial Review





Q1'2021 Revenue: Contribution by Business Line

FOOD REVENUE -3.6%

Vs. Q1'20



60.8%

Share of of total Group Revenue

NON-FOOD REVENUE +2.2%

Vs. Q1'20



39.2%

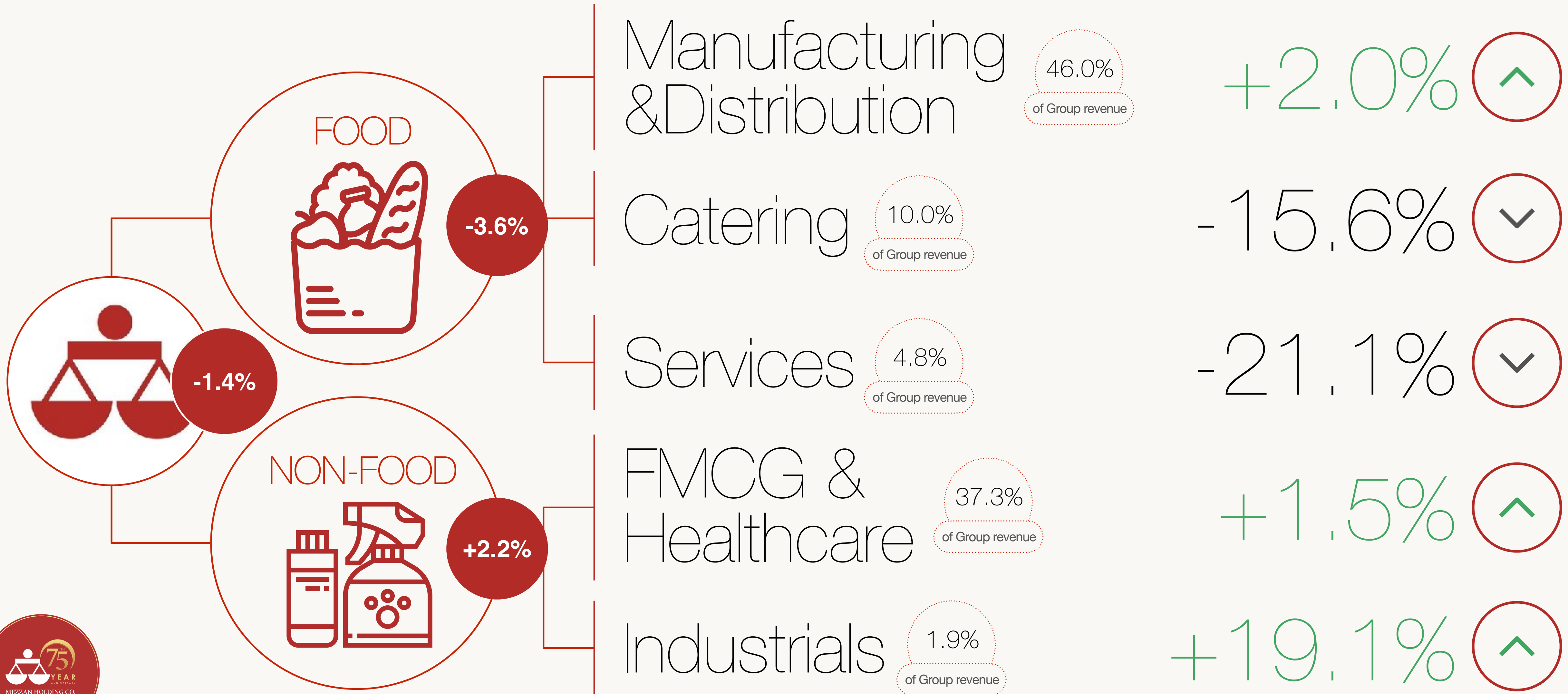
Share of of total Group Revenue





Q1'2021 Revenue: Growth by Business Division

Vs.Q1'20



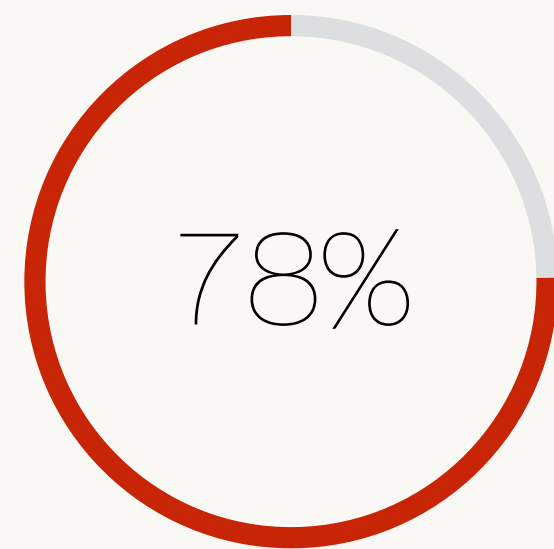


Q1'2021 Revenue: Contribution and Growth by Country

○ Top-line Contribution

Vs.Q1'20

Kuwait



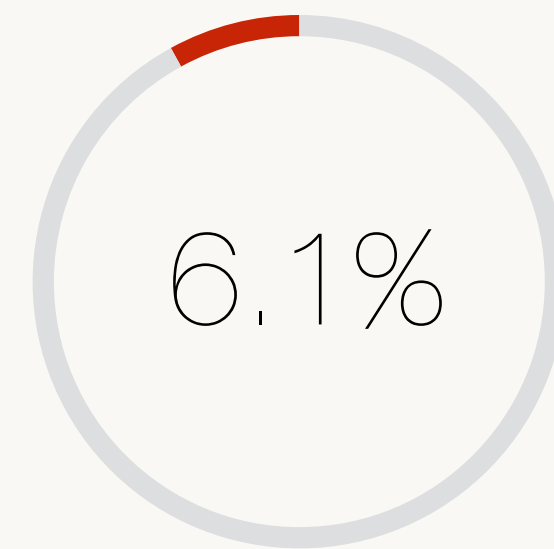
+0.6%

UAE



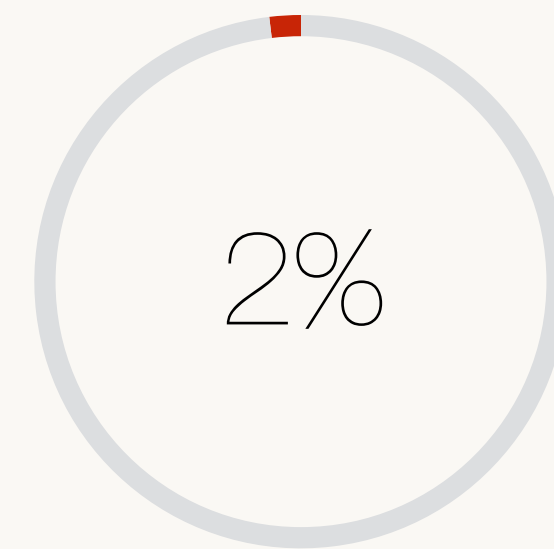
+3.6%

Qatar



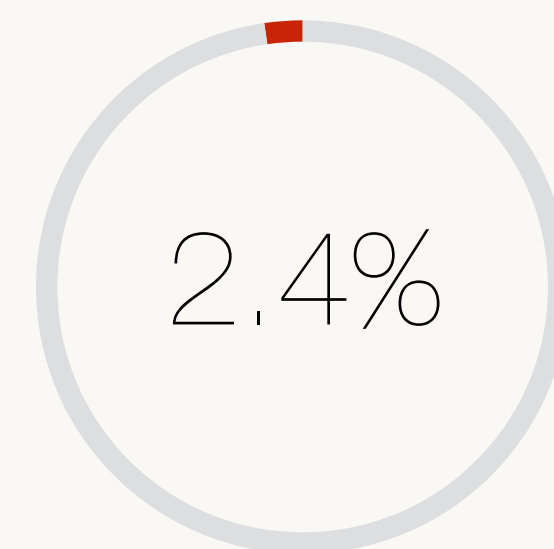
-18.1%

KSA



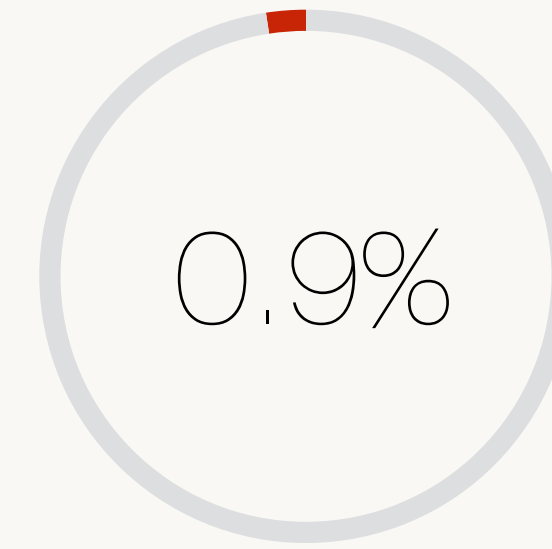
+15.6%

Jordan



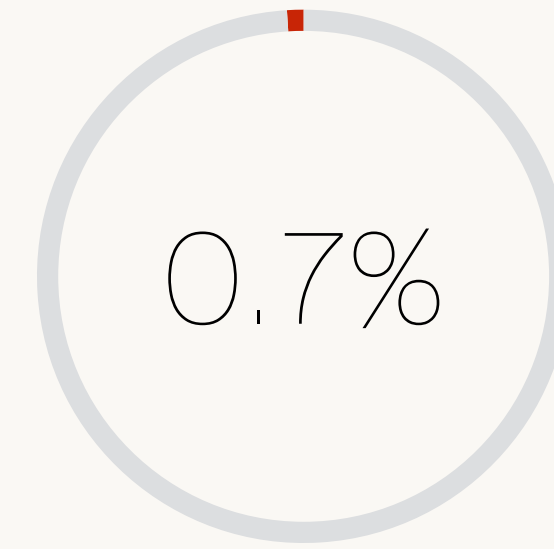
+16.5%

Afghanistan



-57.3%

Iraq



-33.1%





Q1'2021: P&L

KD Millions

	Q1'21	Q1'20	<i>% Diff</i>
Revenue	73.4	74.4	-1.4%
Gross Margin	16.2	16.6	-2.5%
	<i>GM %</i>	22.3%	
	22.1%		
SG&A / Other	-9.8	-10.2	-4.5%
Operating Profit	6.4	6.4	+0.9%
Other	-0.6	-1.0	-37.8%
Underlying Profit before Tax	5.8	5.4	+8.2%
Tax	-0.2	-0.2	-11.2%
Underlying Net Profit	5.6	5.2	+8.0%
	<i>NP %</i>	6.9%	
	7.6%		
Net Income	5.6	5.2	+8.0%
	<i>UNP %</i>	6.9%	
	7.6%		
Net Profit Attributable to Shareholders	5.0	4.6	+6.8%





Q1'2021: CASHFLOW

	Q1'21	Q1'20	KD Millions <i>Diff</i>
Operating Cash Flow <i>before WC changes</i>	9.2	9.2	-0.1
Working Capital	-2.6	-3.8	+1.2
Operating Cash Flow	6.6	5.4	+1.2
CAPEX / Other investing activities	-1.5	-2.0	+0.5
Cash Flow before financing	5.1	3.3	+1.7
Dividends & purchase of treasury shares	-0.2	0.0	-0.2
Financing costs / Other	-1.0	-1.3	0.3
Cash Flow after financing	3.9	2.1	+1.9
Decrease (Increase) in Net Debt	3.9	2.0	+1.9





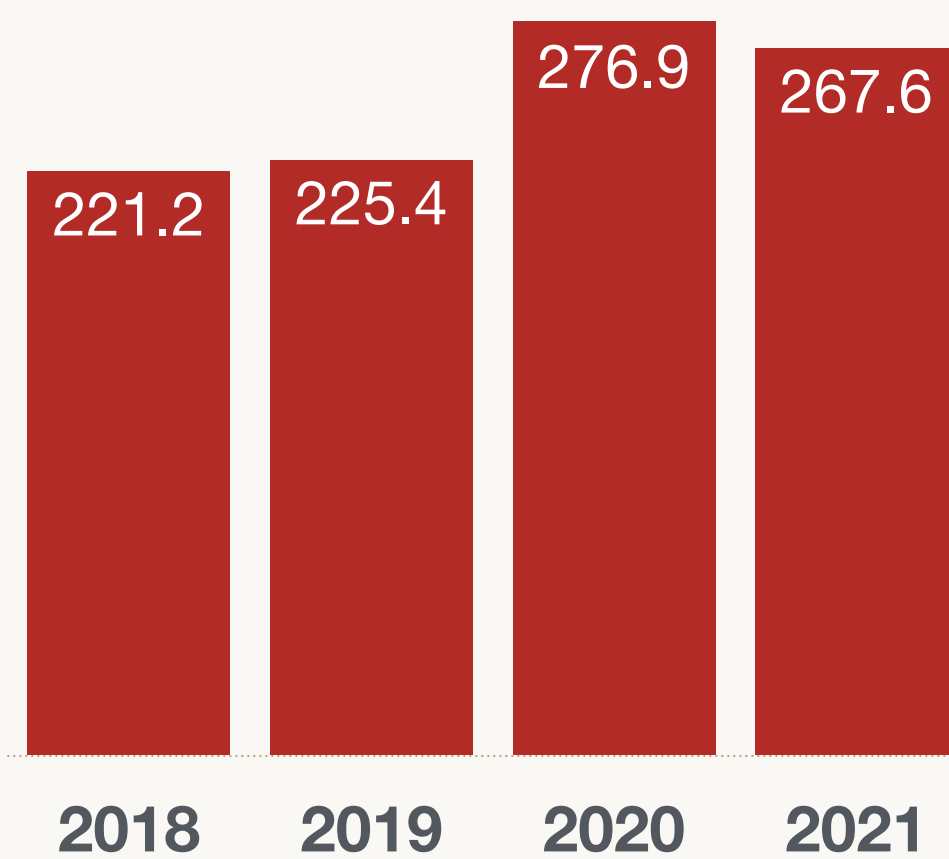
Balance Sheet as of March 31, 2021

KD Millions

Total Assets

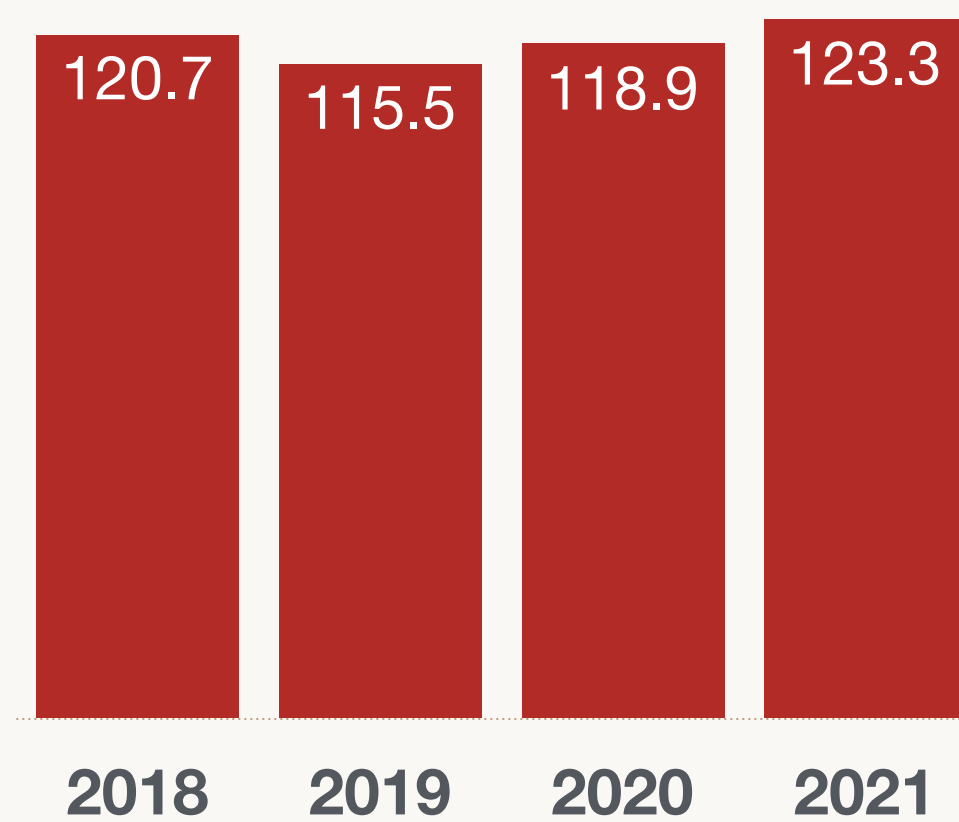
KD Millions

Growth from previous period driven by acquisition and growth



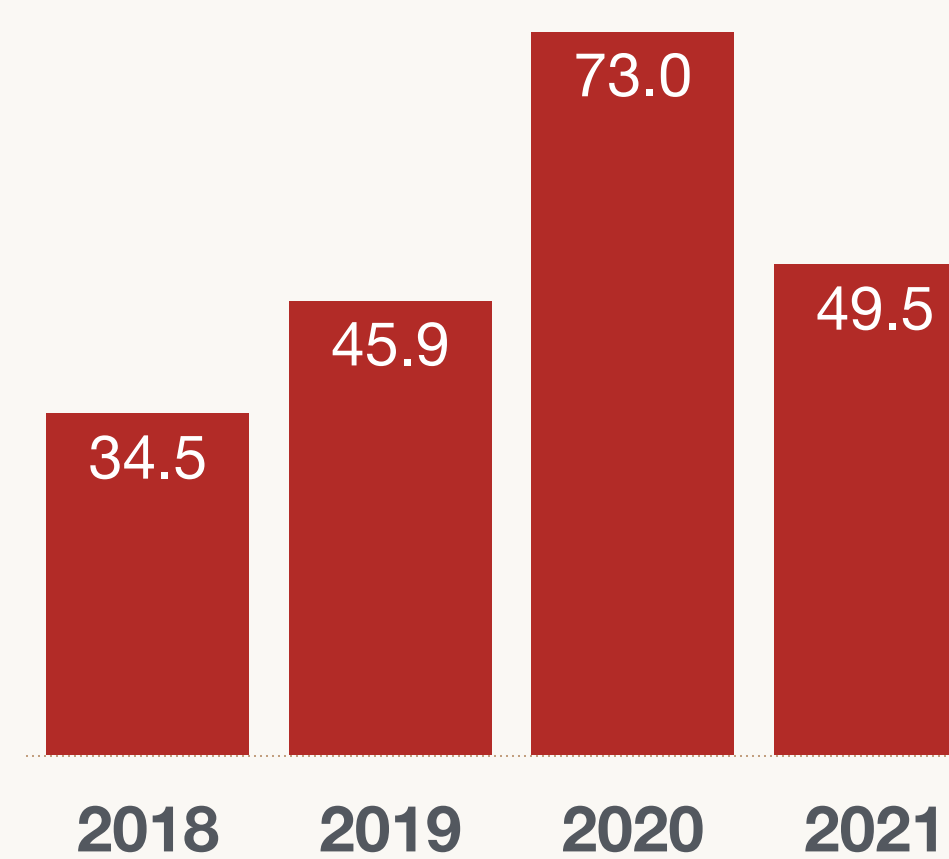
Equity

KD Millions



Net Debt +%

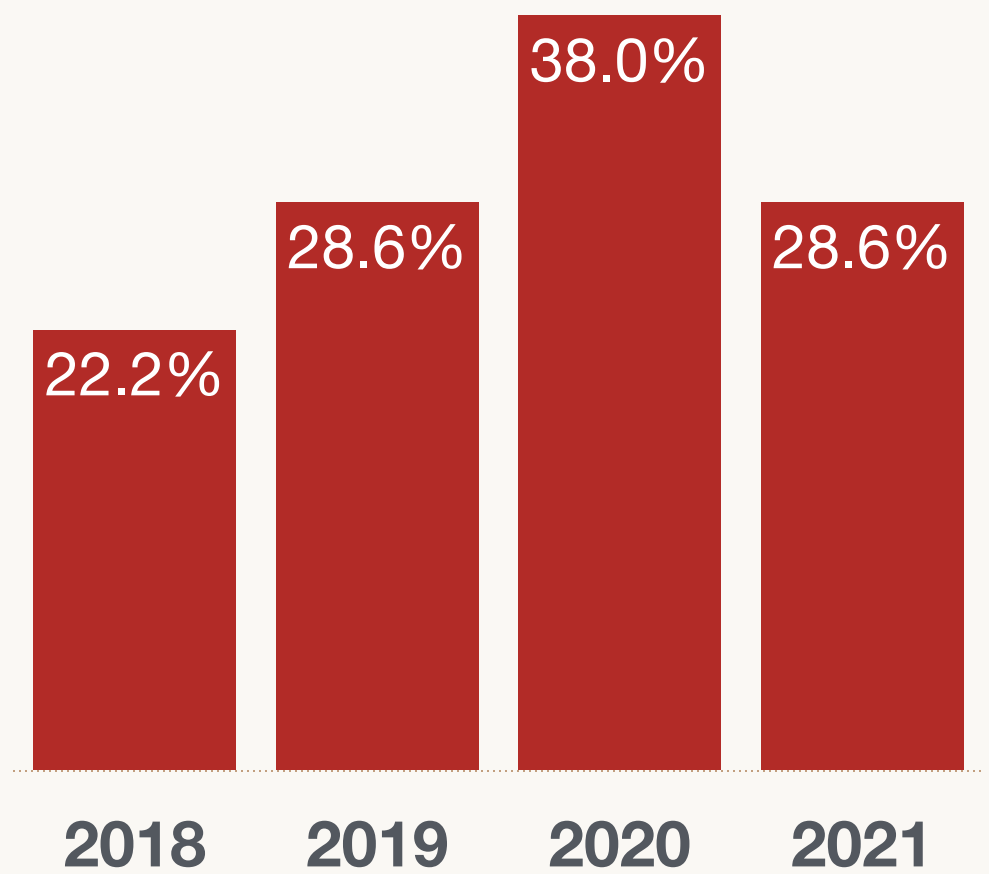
KD Millions



Net debt dropped from KWD73m in March 2020, to KWD 49.5m in March 2021.

Net Debt to Capitalization

%





A note on debt levels

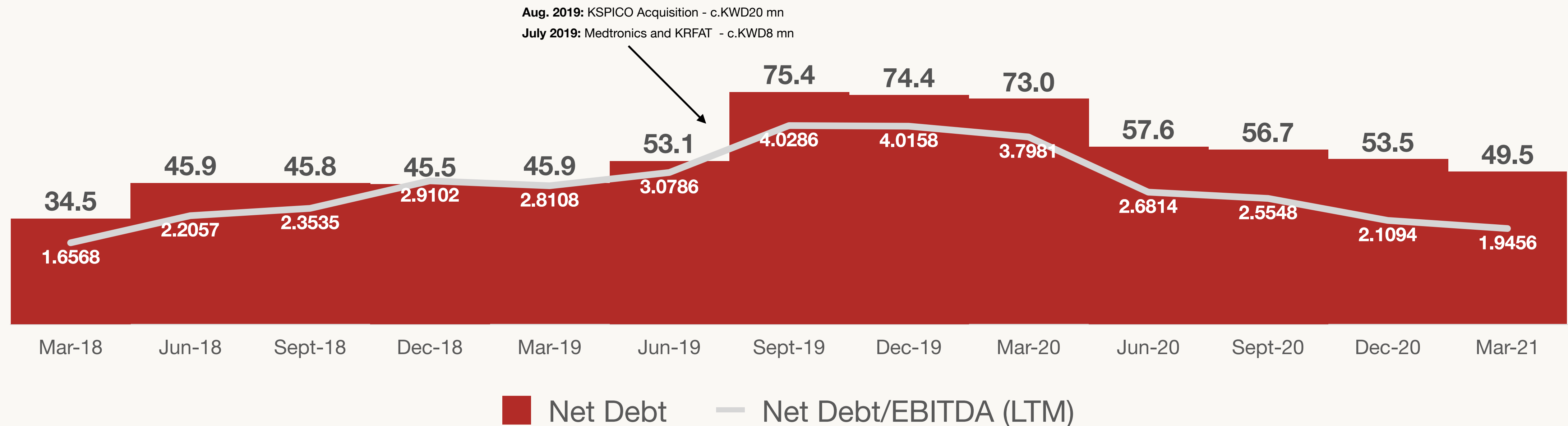
KD Millions



Net Debt stood at c. KWD 49.5 mn, down by c. KWD 23.5 mn from Mar 2020 levels.

Quarterly Net Debt / EBITDA: 5.7x, down by 2.8x vs. Mar 2020

12-Month Net Debt / EBITDA: 1.9x, down by 1.9x Vs Mar 2020



(a) Last Twelve Months EBITDA



Q&A





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