



# H1 2021 Earnings Presentation

August 11, 2021





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# Agenda

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- Tailwinds & Headwinds
- H1 2021 Highlights
- Historical Performance
- Financial Review
- Q&A





## Mezzan Today: Tailwinds

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- Markets returning to normal consumption patterns as channels reopen.
- UAE continuing to see good top line growth.
- Qatar consumer business continuing to progress.
- KSA performing well in a difficult environment.
- Qatar catering business starting to make key wins as FIFA World Cup approaches.
- Receivables continue to be managed aggressively.





## Mezzan Today: Headwinds

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- Noticeable increase in raw materials prices.
- Catering performance reflects the emergency meals in 2020 not being repeated.
- Annualizing against Food segment, as the base year was inflated by one-off Covid-19 related purchases during Q2 2020.
- Food Services segment down due to U.S Troop withdrawal from Afghanistan.
- Continued restrictions on movement driving talent pressure.





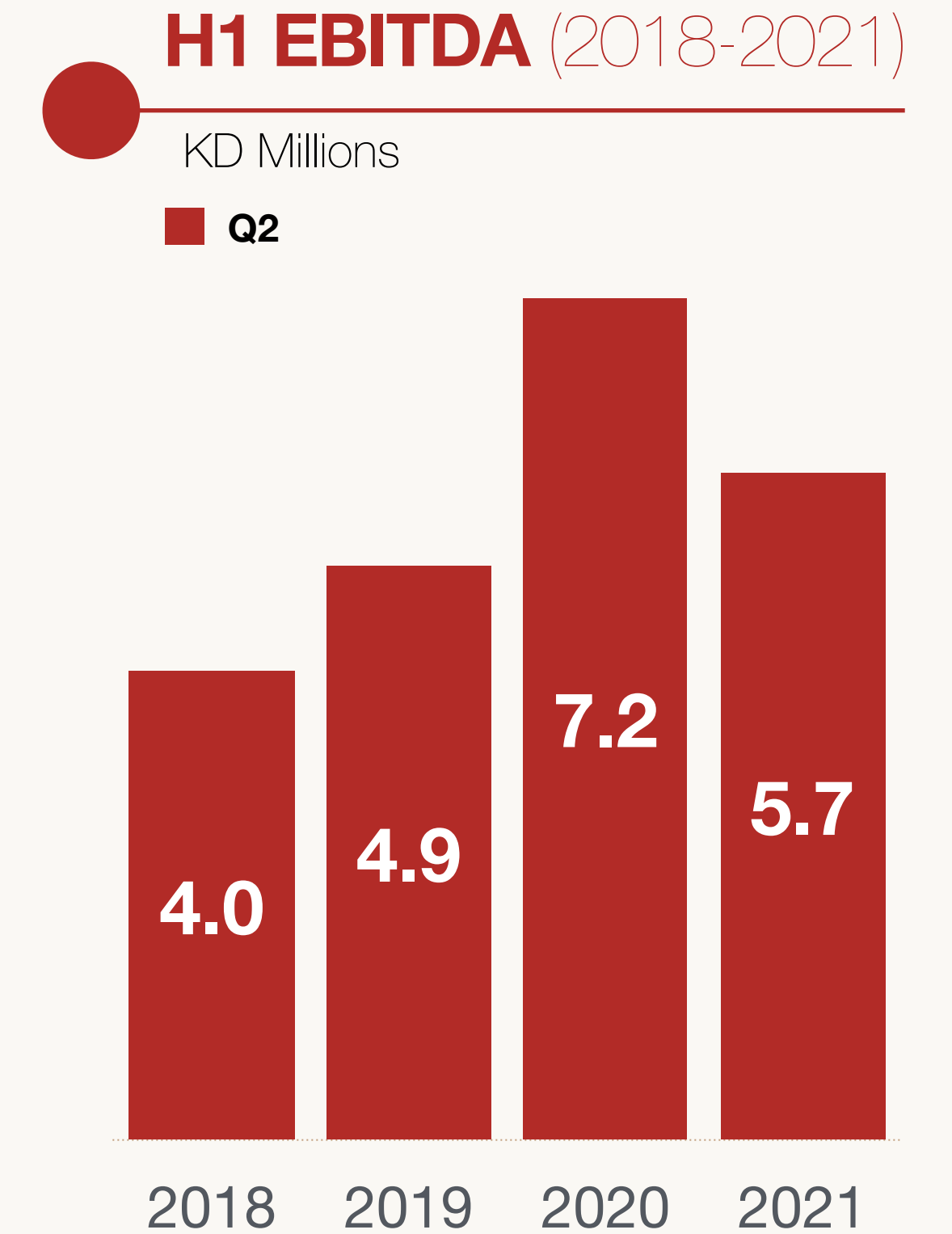


# Mezzan Today: Earnings Highlights

KD Millions

	<u>Q2'21</u>	<u>Q2'20</u>	<i>% Diff</i>	<u>H1'21</u>	<u>H1'20</u>	<i>% Diff</i>
<b>Revenue</b>	60.7	59.9	<b>+1.4%</b>	134.0	134.3	<b>-0.2%</b>
<b>Gross Profit</b>	13.3	15.3	<b>-12.9%</b>	29.5	31.9	<b>-7.4%</b>
<b>EBITDA</b>	5.7	7.2	<b>-20.9%</b>	14.3	15.8	<b>-9%</b>
<b>Net Income</b>	2.8	3.9	<b>-27.9%</b>	8.3	9.1	<b>-7.4%</b>
<b>Net Profit</b>	2.3	3.5	<b>-34.4%</b>	7.2	8.1	<b>-10.9%</b>

*Attributable to Equity Holders of Parent Company*

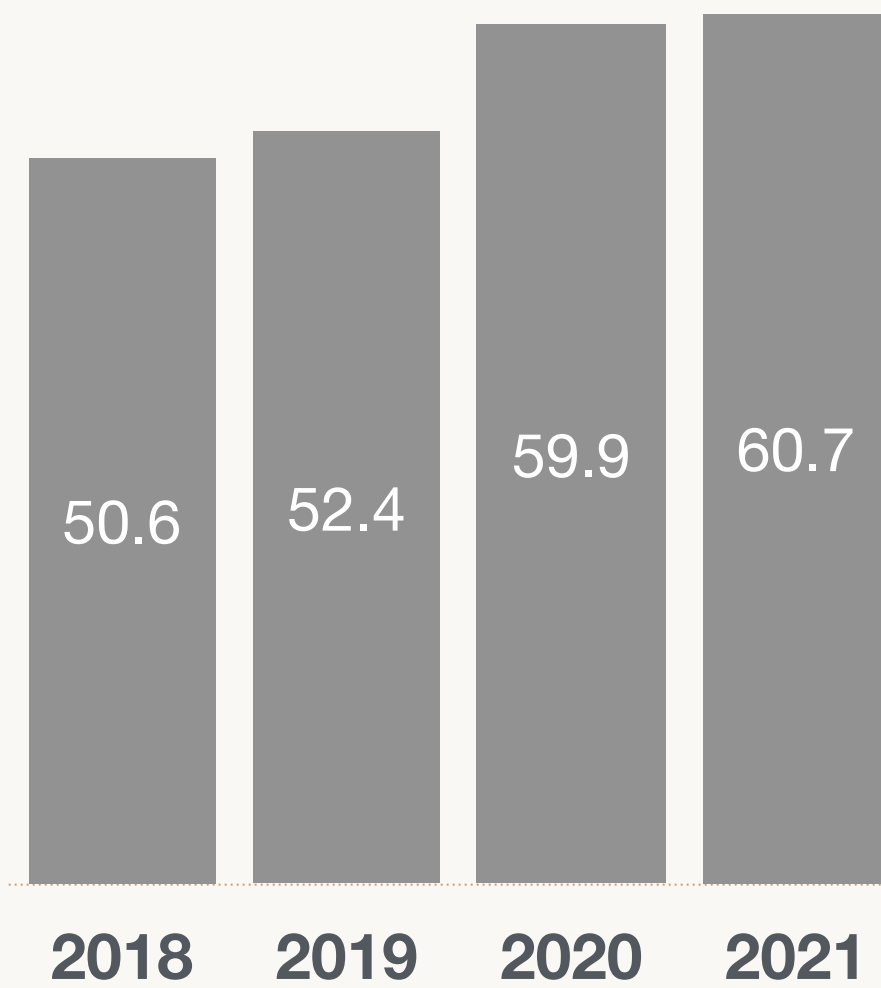




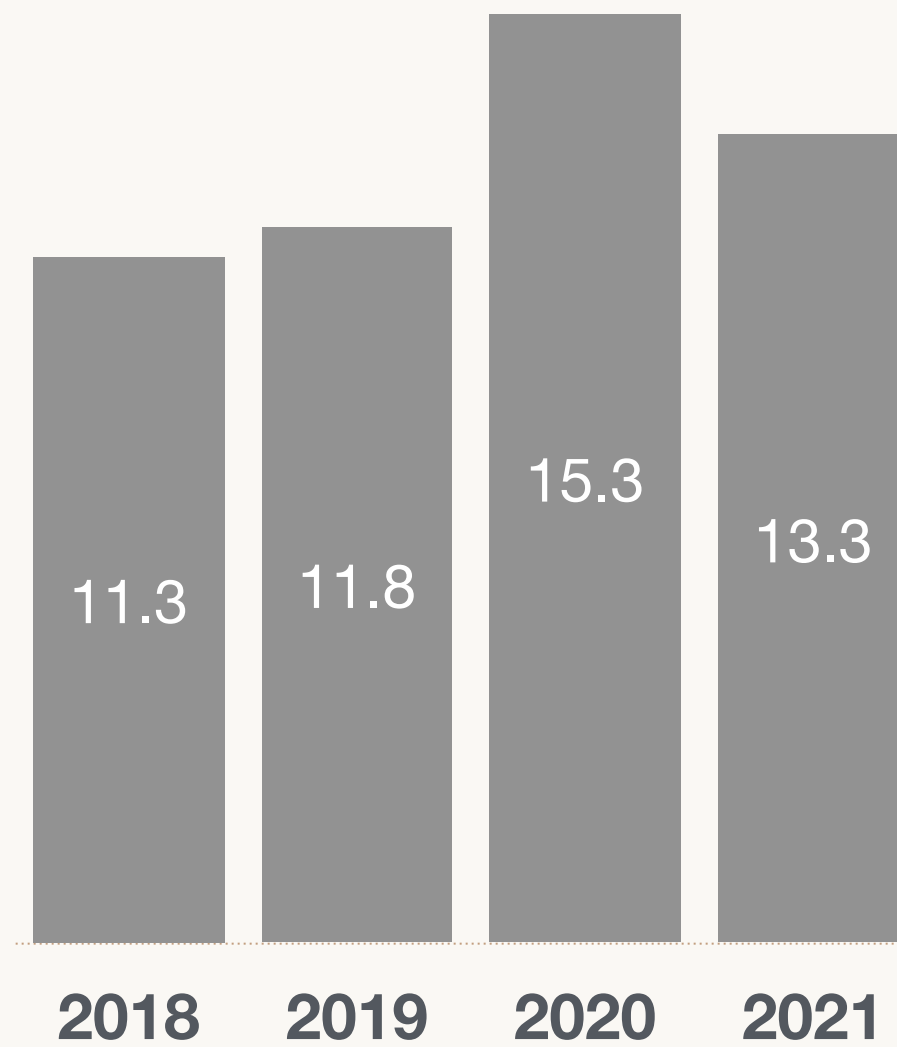
# Mezzan Today: Historical Performance

KD Millions

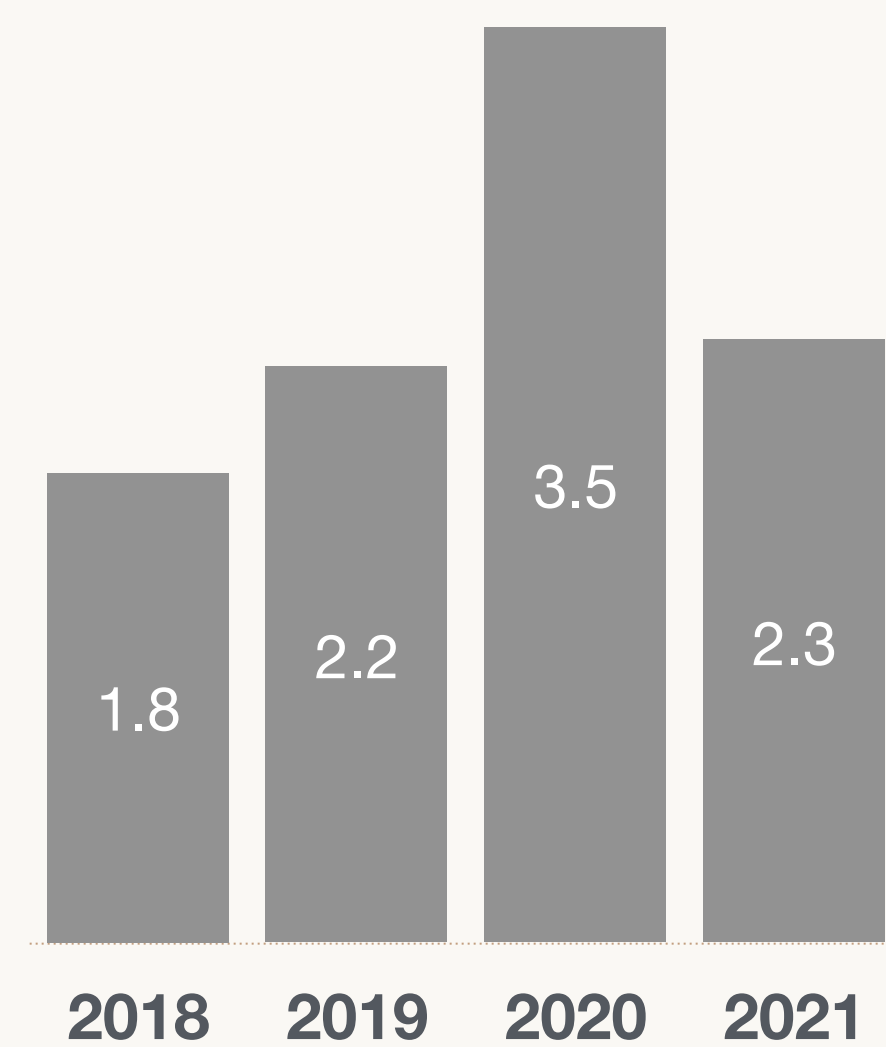
## Q2 Revenue



## Q2 Gross Profit



## Q2 Net Profit



# Financial Review





# H1'21 Revenue: Contribution by Business Line

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**FOOD REVENUE -5.2%**

Vs.H1'20



63.6%

Share of of total Group  
Revenue

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**NON-FOOD REVENUE +10.0%**

Vs.H1'20



36.4%

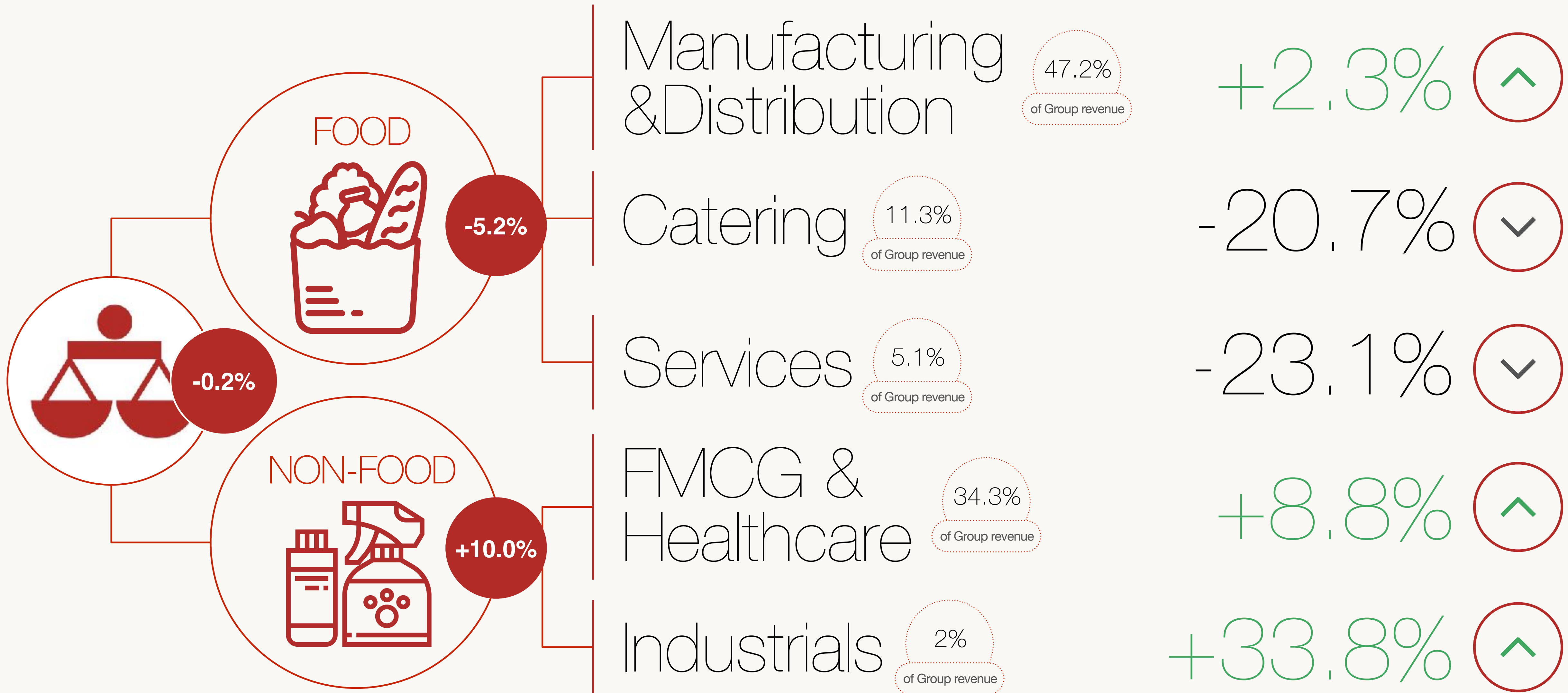
Share of of total Group  
Revenue

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# H1'21 Revenue: Growth by Business Division

Vs.H1'20



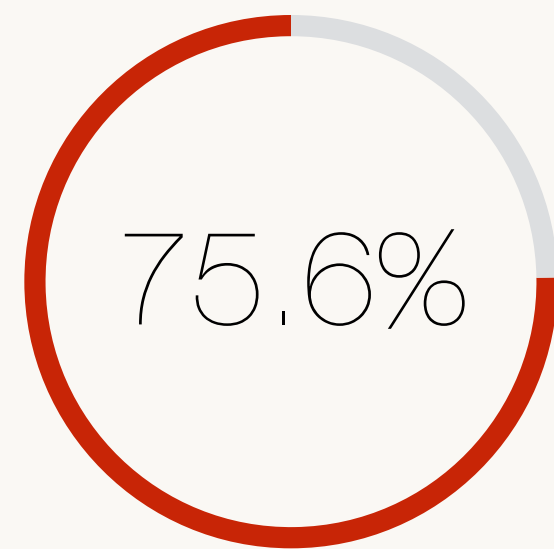


# H1'21 Revenue: Contribution and Growth by Country

 Top-line Contribution

Vs.H1'20

**Kuwait**



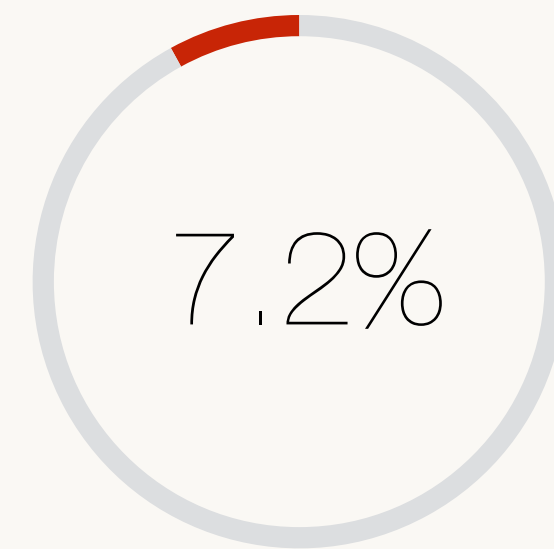
+0.02%

**UAE**



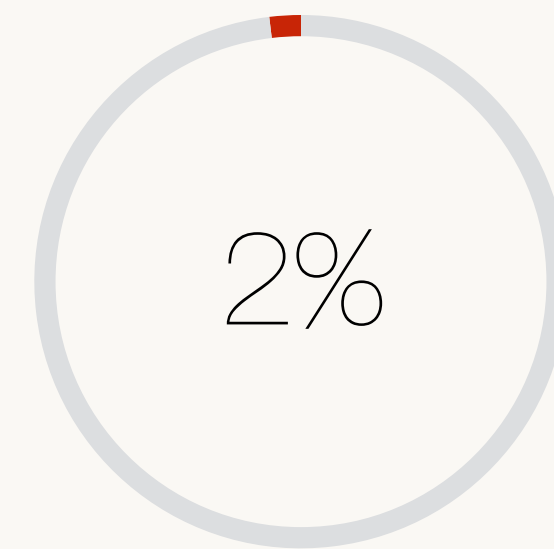
+19.6%

**Qatar**



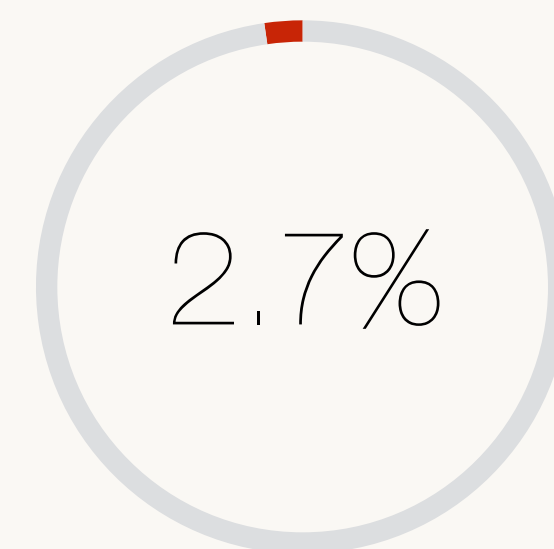
-10.1%

**KSA**



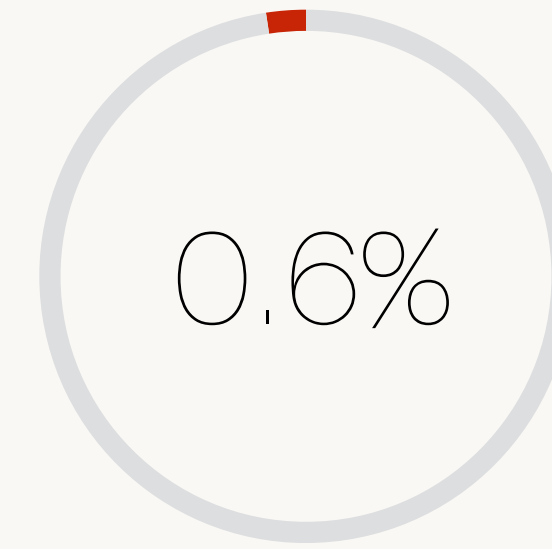
+9.9%

**Jordan**



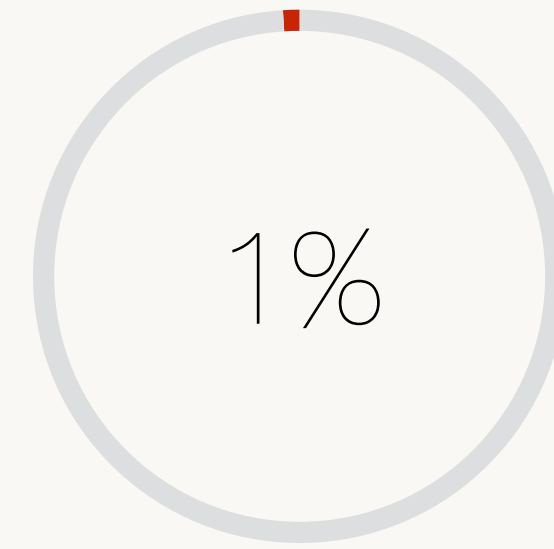
+22.6%

**Afghanistan**



-72.5%

**Iraq**



-16.1%







# H1'21: P&L

KD Millions

	<b>Q2'21</b>	<b>Q2'20</b>	<b>% Diff</b>	<b>H1'21</b>	<b>H1'20</b>	<b>% Diff</b>
<b>Revenue</b>	<b>60.7</b>	<b>59.9</b>	1.4%	<b>134.0</b>	<b>134.3</b>	-0.2%
<b>Gross Margin</b>	<b>13.3</b>	<b>15.3</b>	-12.9%	<b>29.5</b>	<b>31.9</b>	-7.4%
<i>GM %</i>	21.9%	25.5%		22.0%	23.7%	
<b>SG&amp;A / Other</b>	<b>-9.8</b>	<b>-10.3</b>	5.5%	<b>-19.5</b>	<b>-20.6</b>	5.0%
<b>Operating Profit</b>	<b>3.5</b>	<b>4.9</b>	-28.5%	<b>10.0</b>	<b>11.3</b>	-11.9%
<b>Other</b>	<b>-0.6</b>	<b>-0.9</b>	28.1%	<b>-1.3</b>	<b>-1.9</b>	33.3%
<b>Underlying Profit before Tax</b>	<b>2.9</b>	<b>4.1</b>	-28.5%	<b>8.7</b>	<b>9.4</b>	-7.6%
<b>Tax</b>	<b>-0.1</b>	<b>-0.2</b>	40.3%	<b>-0.4</b>	<b>-0.4</b>	13.7%
<b>Underlying Net Profit</b>	<b>2.8</b>	<b>3.9</b>	-27.9%	<b>8.3</b>	<b>9.0</b>	-7.3%
<i>UNP %</i>	4.6%	6.4%	-1.9%	6.2%	6.7%	-0.5%
<b>Reported Net Profit</b>	<b>2.8</b>	<b>3.9</b>	-27.9%	<b>8.3</b>	<b>9.0</b>	-7.3%
<i>NP %</i>	4.6%	6.4%	-1.9%	6.2%	6.7%	-0.5%
<b>Net Profit Attributable to Shareholders</b>	<b>2.3</b>	<b>3.5</b>	-34.4%	<b>7.2</b>	<b>8.1</b>	-10.9%



# H1'21: Cashflow

KD Millions

	<b>H1'21</b>	<b>H1'20</b>	<b>Diff</b>
Operating Cashflow before WC changes	<b>15.4</b>	18.1	-2.7
Working Capital and Others	<b>-2.3</b>	4.1	-6.5
Operating Cashflow	<b>13.1</b>	22.2	-9.1
Capital / Other	<b>-2.9</b>	-2.4	-0.5
Cash flow before Financing	<b>10.2</b>	19.8	-9.6
Dividends & Purchase of treasury shares	<b>-6.0</b>	0.0	-6.0
Financing Costs / Other	<b>-1.8</b>	-2.5	0.7
Cash flow after Financing	<b>2.5</b>	17.3	-14.9
FX translation	<b>-0.2</b>	0.0	-0.1
YTD Change in Net Debt	<b>2.3</b>	17.3	-15.0



- Q2 2021: lower operating cash flow driven by lower Net Profit and reduction in working capital.
- Cash in hand as of June 21: Increased by KWD3.1mn v LY.

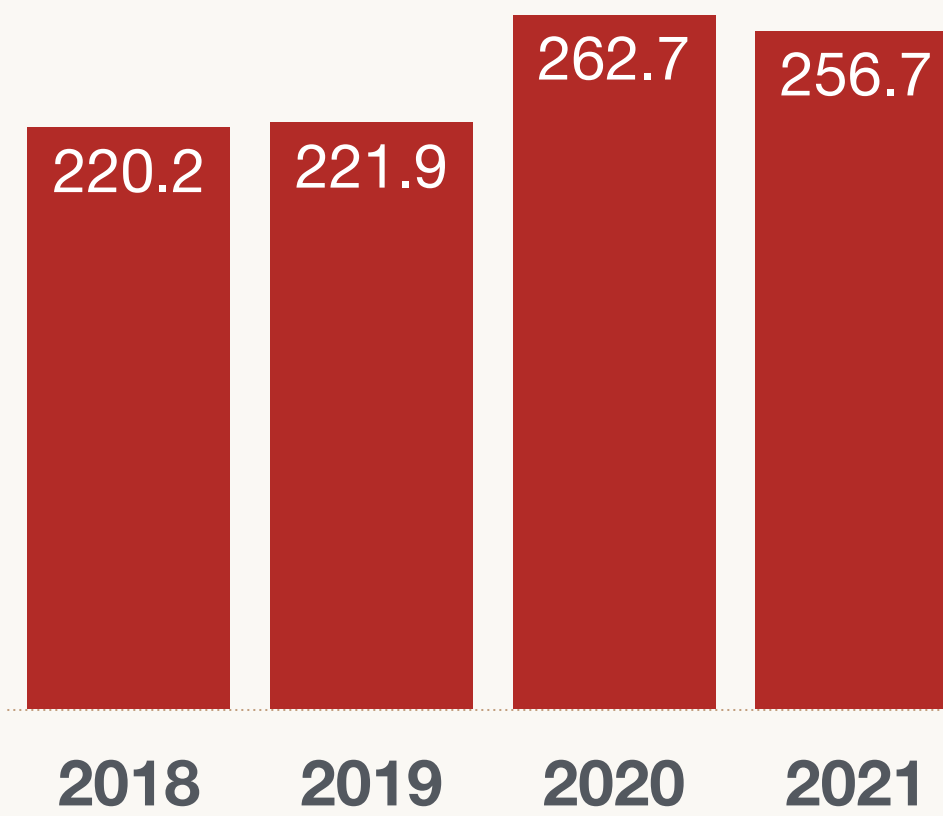


# Balance Sheet as of June 30, 2021

KD Millions

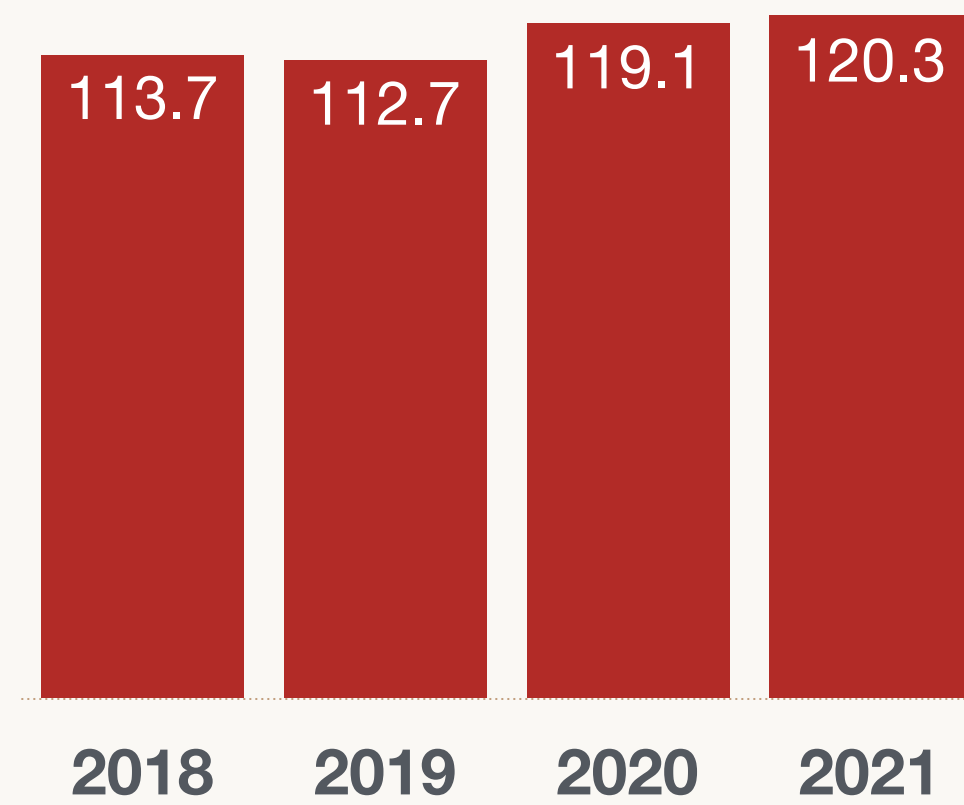
## Total Assets

KD Millions



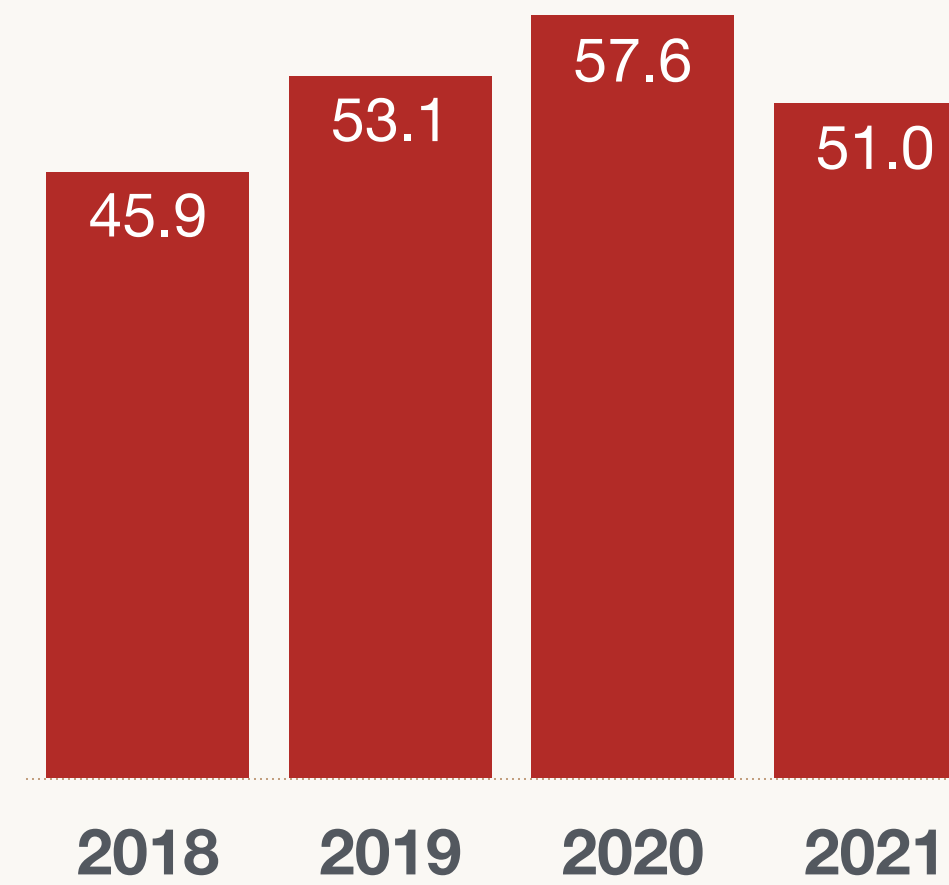
## Equity

KD Millions



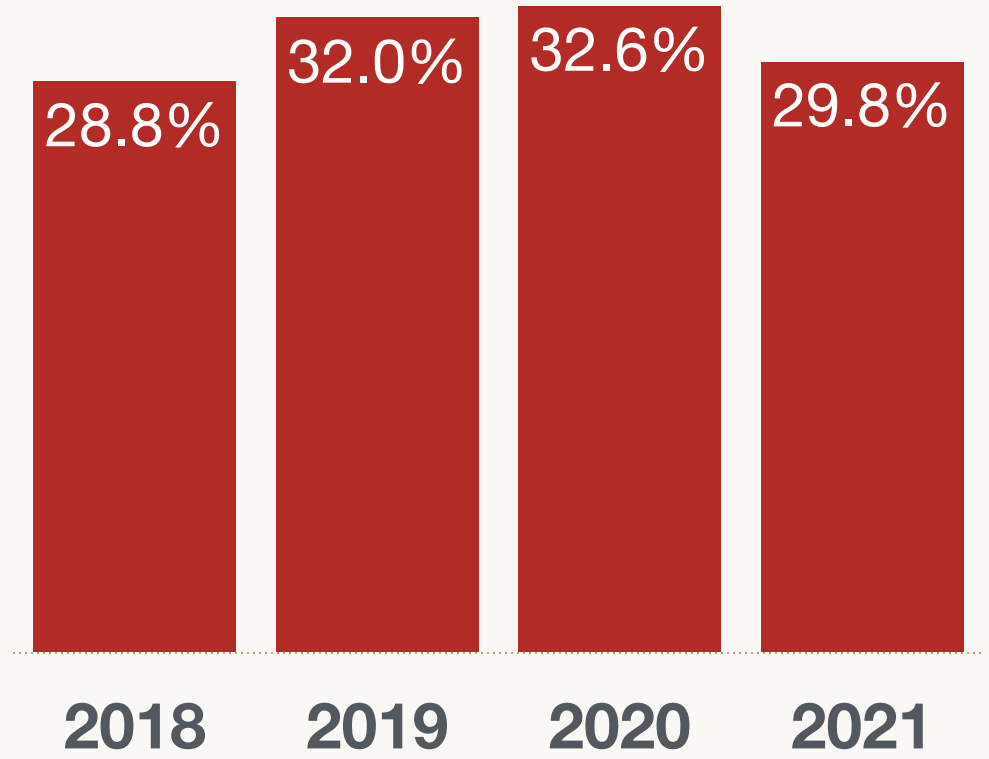
## Net Debt

KD Millions



## Net Debt to Capitalization

%





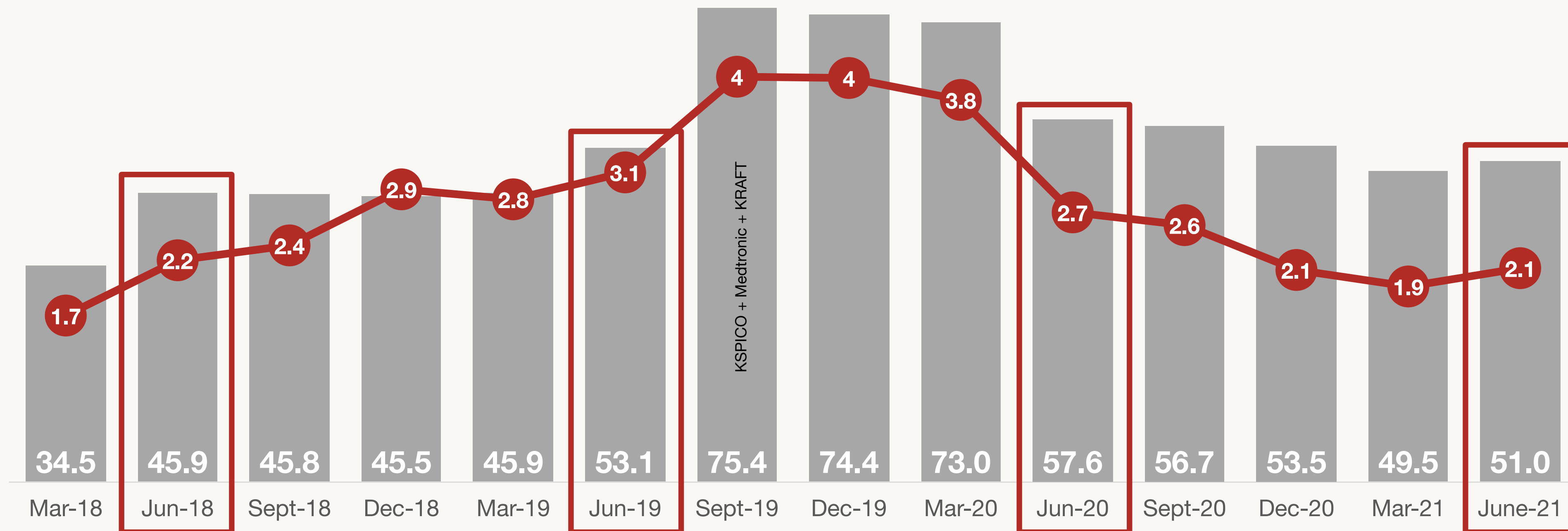


# A note on debt levels

KD Millions



Net Debt stood at c. KWD 51.0mn. Down by c. KWD 6.7mn. from June 2020 levels.  
 Net Debt / EBITDA of 9.0x (Quarterly) Down by 0.9x vs. June 2020.  
 Net Debt / EBITDA of 2.1x (LTM) down by 0.6x vs. June 2020



■ Net debt      ● Net Debt/EBITDA(LTM)





Q & A



## **Investor Relations Contact**

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