



Q1 2022 Earnings Presentation

May 17, 2022



Disclaimer

This confidential document is provided for informational purposes only. THE INFORMATION SET OUT IN THIS PRESENTATION AND PROVIDED IN THE DISCUSSION SUBSEQUENT THERETO DOES NOT CONSTITUTE AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES IN ANY JURISDICTION. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED AS INFORMATION ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. THIS PRESENTATION HAS BEEN PREPARED BY AND IS THE SOLE RESPONSIBILITY OF MEZZAN HOLDING COMPANY (“MEZZAN” OR THE “COMPANY”).

You must not place any reliance for any purpose whatsoever on the information contained in this document. No representation or warranty, express or implied, is given by or on behalf of Mezzan or any other person as to the accuracy or completeness of the information or opinions contained in this document and no liability whatsoever is accepted by Mezzan or any other person for any loss howsoever arising, directly or indirectly, from any use of such information or opinions or otherwise arising in connection therewith.

The information contained in this document has been obtained from sources prepared by other parties and it may not have been independently verified.

The supply of this document does not imply that the information within is correct at any time subsequent to the date of this document.

The information herein may be amended and supplemented and may not as such be relied upon for the purpose of entering into any transaction. This presentation may not be reproduced in whole or in part, distributed or transmitted to any other person without the Company's prior written consent. The information in this presentation and the views reflected there in are those of the Company and are subject to change without notice. All projections, valuations and statistical analyses are provided to assist the recipient in the evaluation of matters described herein. They may be based on subjective assessments and assumption and may use one among alternative Methodologies that produce different results and to the extent that they are based on historical information, they should not be relied upon as an accurate prediction of future Performance. These Materials are not intended to provide the basis for any recommendation that any investor should subscribe for or purchase any securities. This presentation does not disclose all the risks and other significant issues related to an investment in any securities / transaction. Past performance is not indicative of future results. The Company is under no obligation to update or keep current the information contained herein. No person shall have any right of action against the Company or any other person in relation to the accuracy or completeness of the information contained in this presentation. No person is authorized to give any information or to make any representation not contained in and not consistent with this presentation and if given or made such information or representation must not be relied upon as having been authorized by or on behalf of the Company. This presentation does not constitute an offer or an agreement, or a solicitation of an offer or an agreement, to enter into any transaction (including the provision of any services). No assurance is given that any such transaction can or will be arranged or agreed. Certain statements in this presentation may constitute forward-looking statements. These statements reflect the company's expectation and are subject to risk and uncertainties that may cause actual result to differ materially and may adversely affect the outcome and financial effects of the plan described herein. You are cautioned not to rely on such forward-looking statements. The Company does not assume any obligation to update its view of such risk and uncertainties or to publicly announce the result of any revision to the forward-looking statements made herein.

This document may contain forward-looking statements which, by their nature, involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by these statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described within this document. In particular, actual results may be adversely affected by future developments affecting inflation, interest rates, taxation, social instability or other economic, political or diplomatic or other matters. Forward-looking statements contained in this document that reference past trends or activities should not be taken as a representation that such trends or activities will continue.



Agenda

- Tailwinds & Headwinds
- Q1 2021 Highlights
- Results
- Financial Review
- Q&A





Mezzan Today: Tailwinds

- Price increases implemented in KSA
- Continuing to progress in KSA & UAE markets
- KITCO (Salty Snacks) launch in Jordan is on track





Mezzan Today: Headwinds

- Cost inflation continues to increase sharply
- Kuwait pricing remained unchanged due to regulatory restraint
- Credit collection and payment issues in Qatar
- Maintenance and delay in KSPICO factory upgrade





Mezzan Today: Earnings Highlights

KD Millions

Revenue

Q1'22	Q1'21
72.5	73.4

% Diff

-1.2%

EBITDA

6.2	8.7
-----	-----

-28.3%

Net Income

3.1	5.6
-----	-----

-44.9%

Net Profit

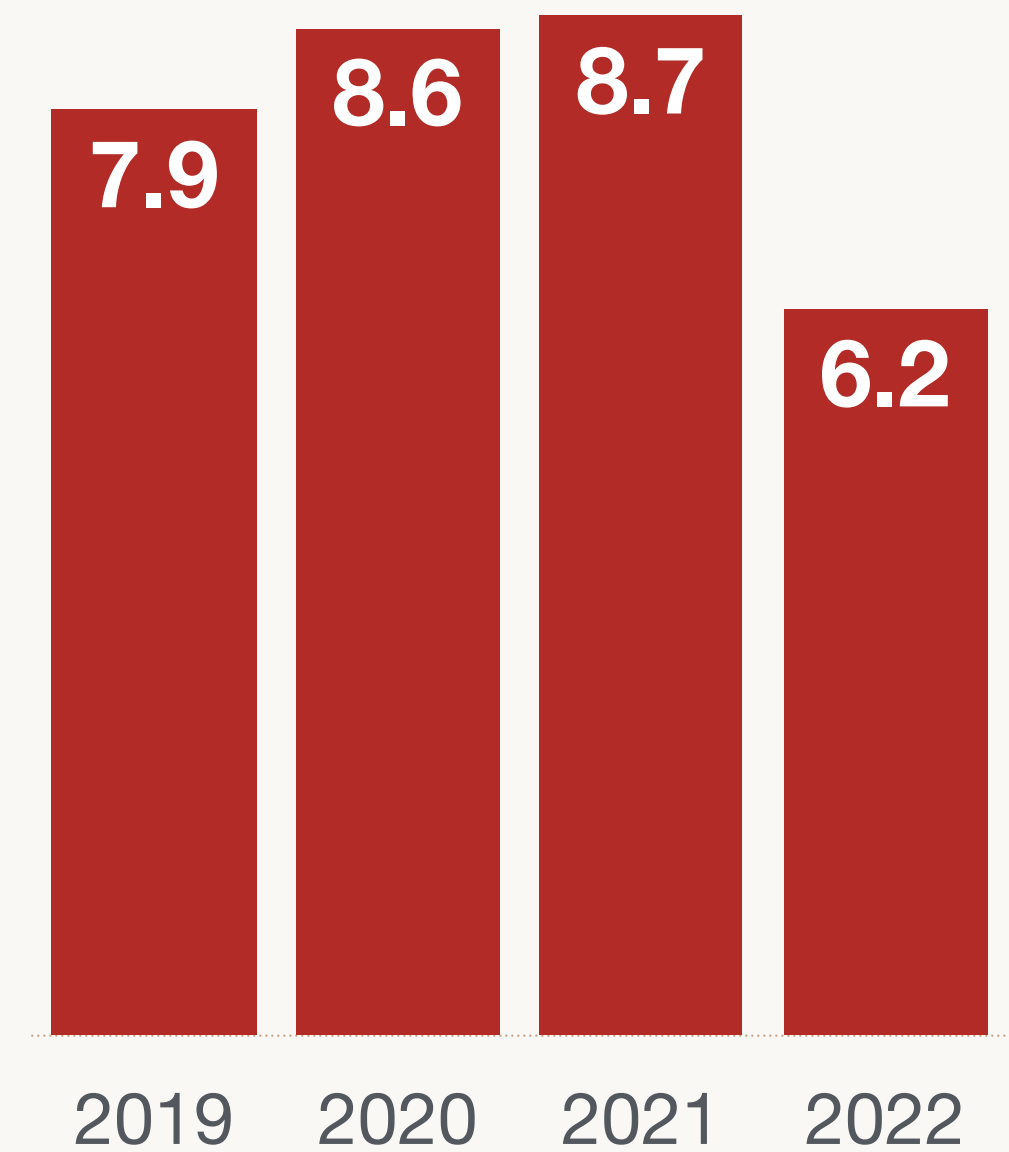
2.9	5.0
-----	-----

-40.7%

Attributable to Equity Holders of Parent Company

Q1 EBITDA (2019-2022)

KD Millions



EBITDA:

Lower by 28.3% (KWD -2.4mn)

Driven by the decrease in Gross Profit and booking provision for doubtful debts.

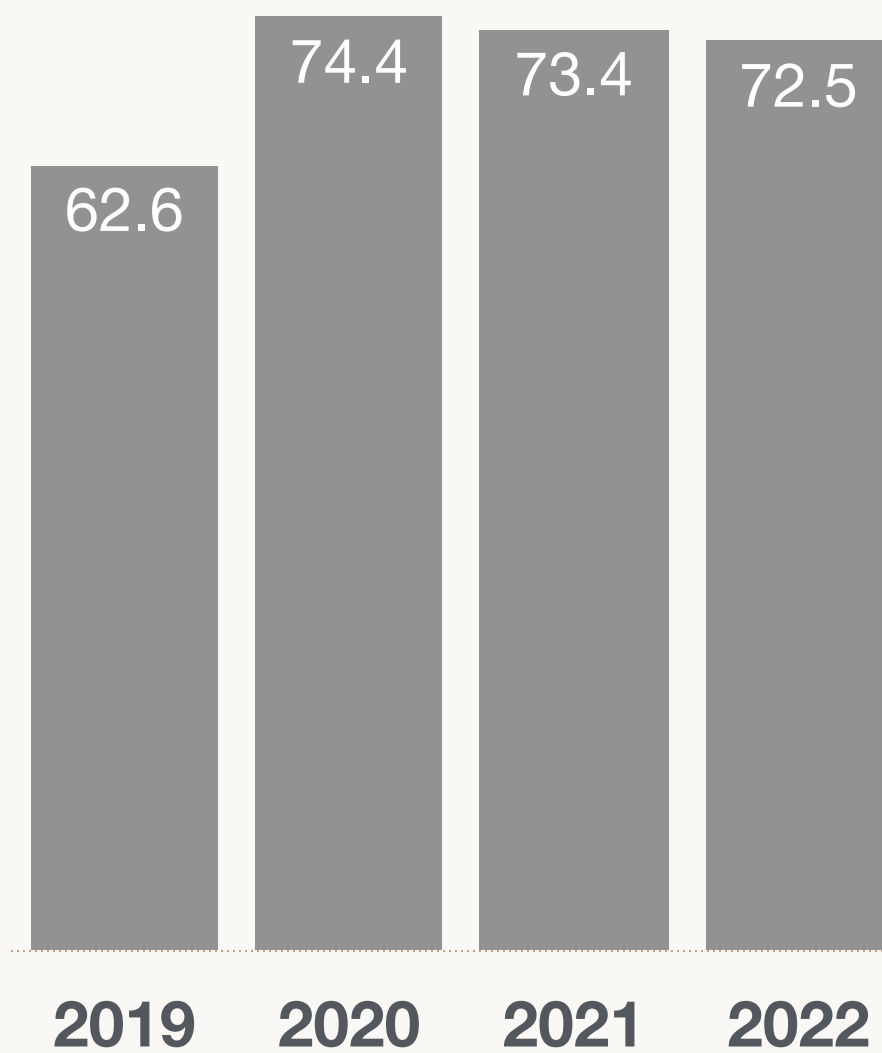




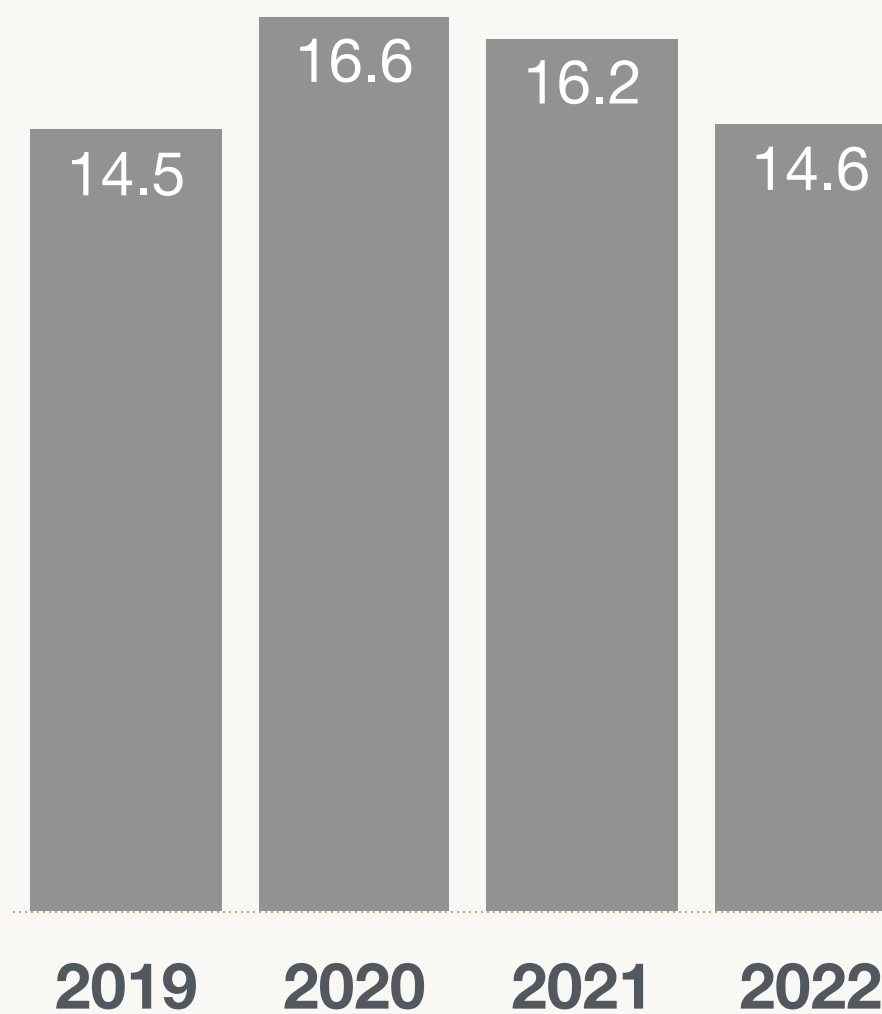
Mezzan Today: Q1 Historical Performance

KD Millions

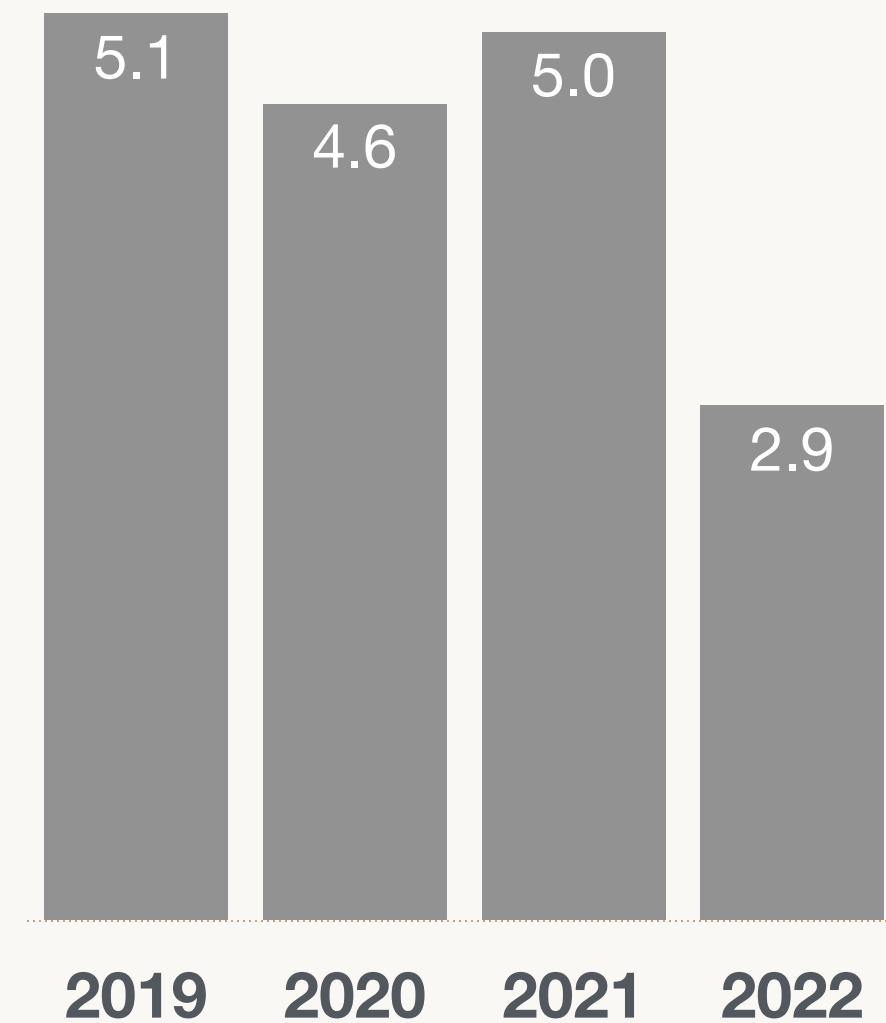
Q1 Revenue



Q1 Gross Profit



Q1 Net Profit



Financial Review



Q1'22 Revenue: Contribution by Business Line

FOOD REVENUE +2.7%

Vs.Q1'21



63.2%

Share of of total Group Revenue

NON-FOOD REVENUE -7.3%

Vs.Q1'21



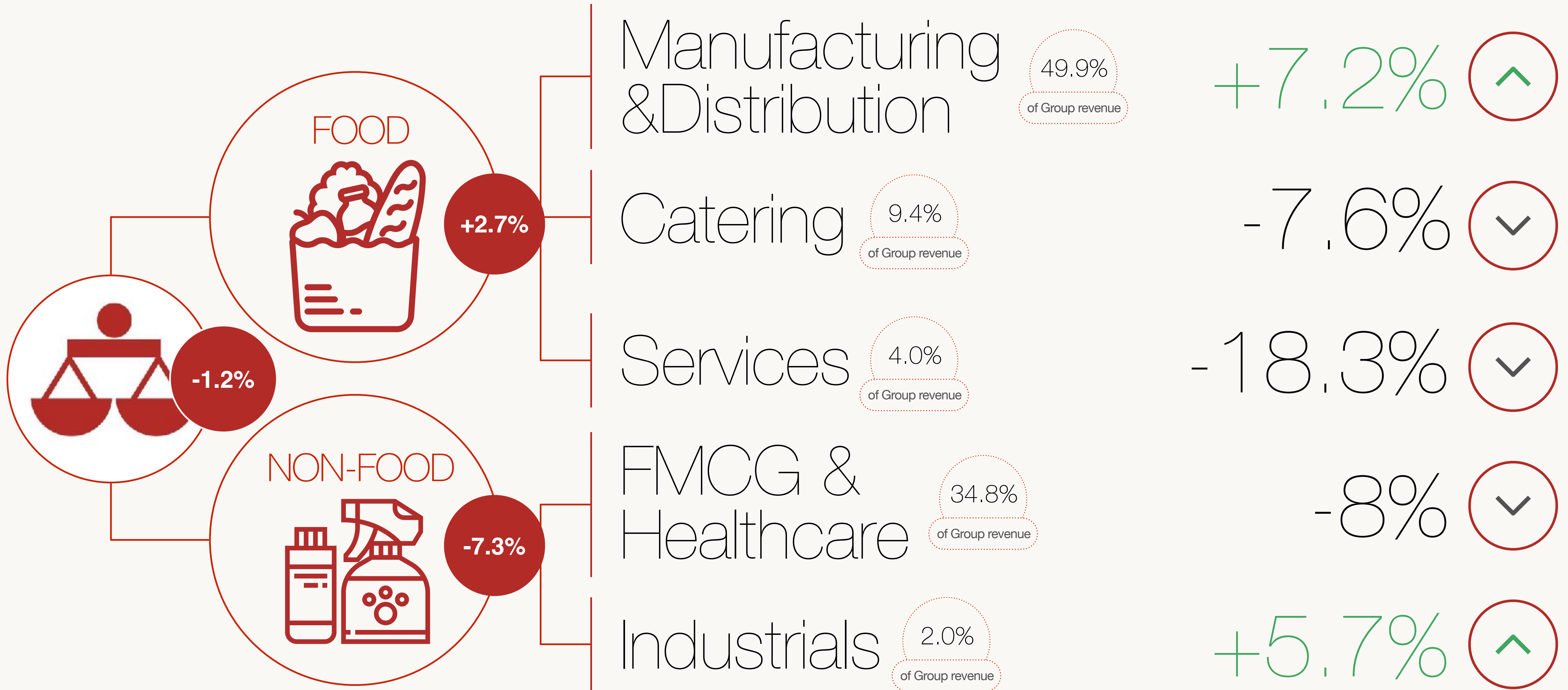
36.8%

Share of of total Group Revenue



Q1'22 Revenue: Growth by Business Division

Vs.Q1'21



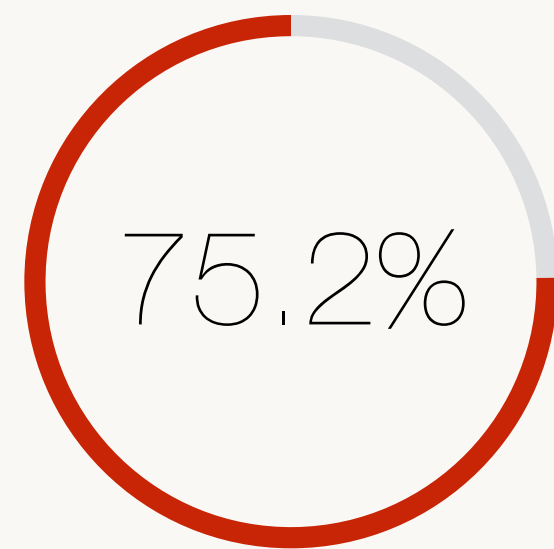


Q1'22 Revenue: Contribution and Growth by Country

○ Top-line Contribution

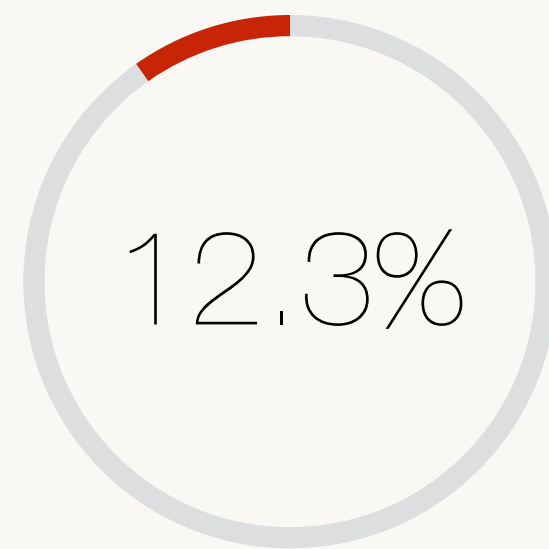
Vs.Q1'21

Kuwait



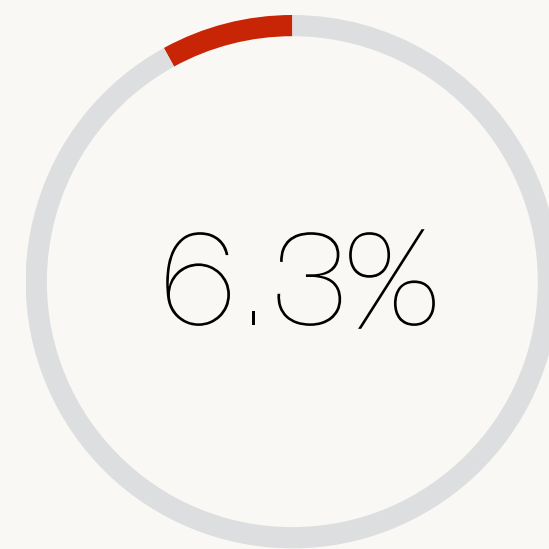
▼
-4.8%

UAE



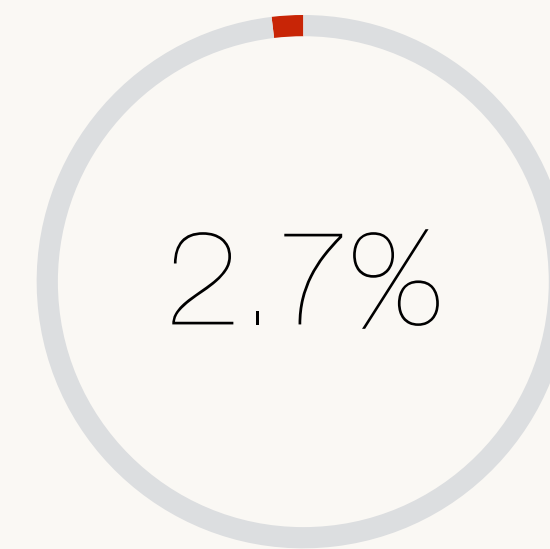
▲
+21.7%

Qatar



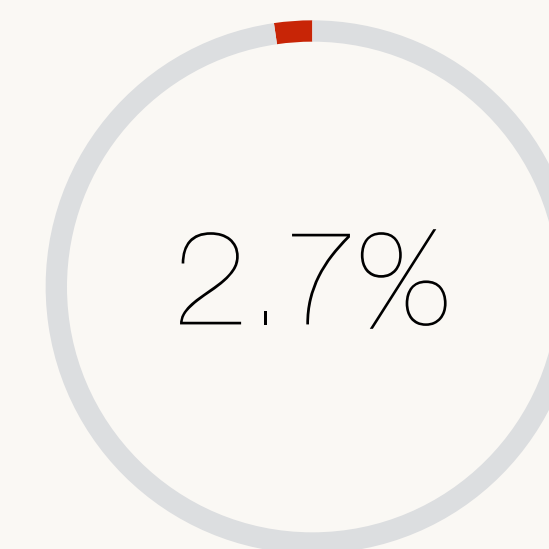
▲
+4.1%

KSA



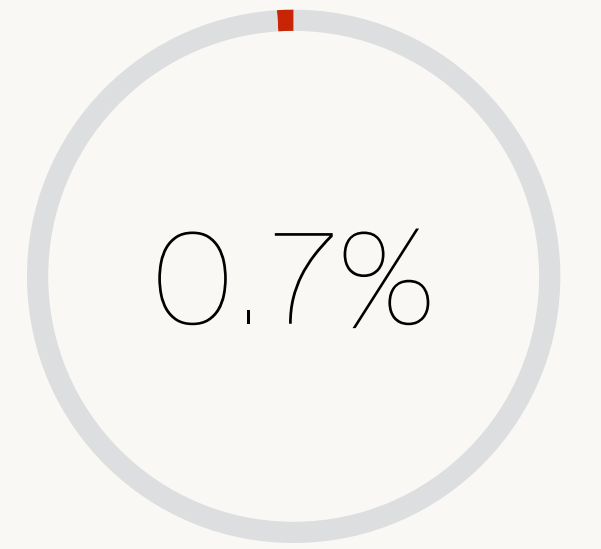
▲
+36%

Jordan



▲
+11%

Iraq



▲
+2.4%





Q1'22: P&L

KD Millions

	<u>Q1'22</u>	<u>Q1'21</u>	<u>% Diff</u>
Revenue	72.5	73.4	-1.2%
Gross Margin	14.6	16.2	-10.1%
	<i>GM %</i>	<i>20.1%</i>	<i>22.1%</i>
SG&A / Other	-10.7	-9.8	9.4%
Operating Profit	3.9	6.4	-39.5%
Other	-0.7	-0.6	4.6%
Underlying Profit before Tax	3.2	5.8	-44.3%
Tax	-0.2	-0.2	32.4%
Underlying Net Profit	3.1	5.6	-44.9%
	<i>UNP %</i>	<i>4.2%</i>	<i>7.6%</i>
Net Profit Attributable to Shareholders	2.9	5.0	-40.7%



Gross Margin:

Lower by 10% (KWD -1.6mn) Gross Margin: 20.1% vs 22.1% = -2.0%.

Impacted by the severe setback in the global economic prospects

Passing rising costs to consumers to adjust surge of inflation, not executed yet.



Q1'22: CASHFLOW

KD Millions

	Q1'22	Q1'21	Diff
Operating Cashflow before WC changes	7.7	9.2	-1.5
Working Capital / Other	-2.0	-2.6	0.6
Operating Cashflow	5.7	6.6	-0.9
Capital / Other	-8.0	-1.5	-6.5
Cash flow before Financing	-2.3	5.1	-7.4
Dividends & Purchase of treasury shares	-1.5	-0.2	-1.3
Financing Costs / Other	-1.1	-1.0	-0.2
Cash flow after Financing	-5.0	3.9	-8.9
YTD Change in Net Debt	-5.0	3.9	-8.9
Net (decrease) increase in cash and cash equivalents	-3.5	3.1	-6.6
Loans and borrowings	1.5	-0.8	2.3
Cash and cash equivalents at 1 January 2022	15.4	16.3	-0.9
Cash and cash equivalents at March 31th 2022	11.9	19.4	-7.5



Lower operating cash flow driven by lower net profit and higher capital spend.

Net Capital Spent (Capex) of KD 8 mn for YTD'22

Cash in hand as of March 2022: Decreased by KWD 7.5mn v LY.

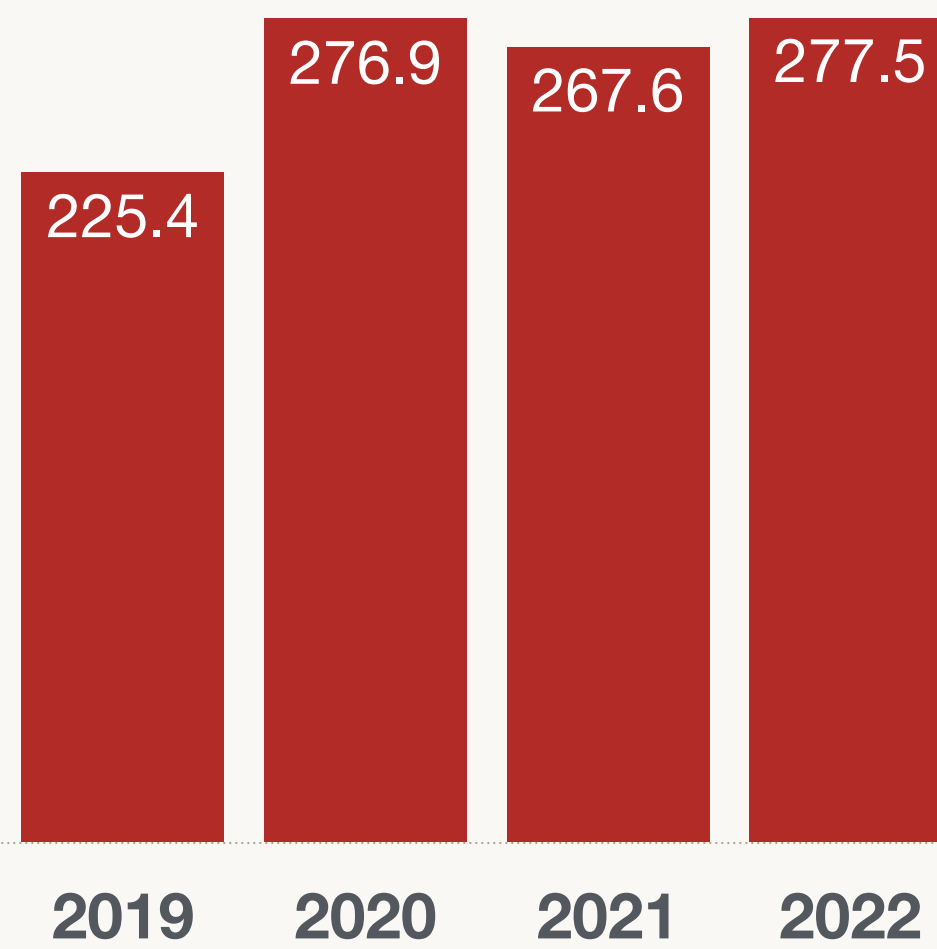


Balance Sheet as of March 31, 2022

KD Millions

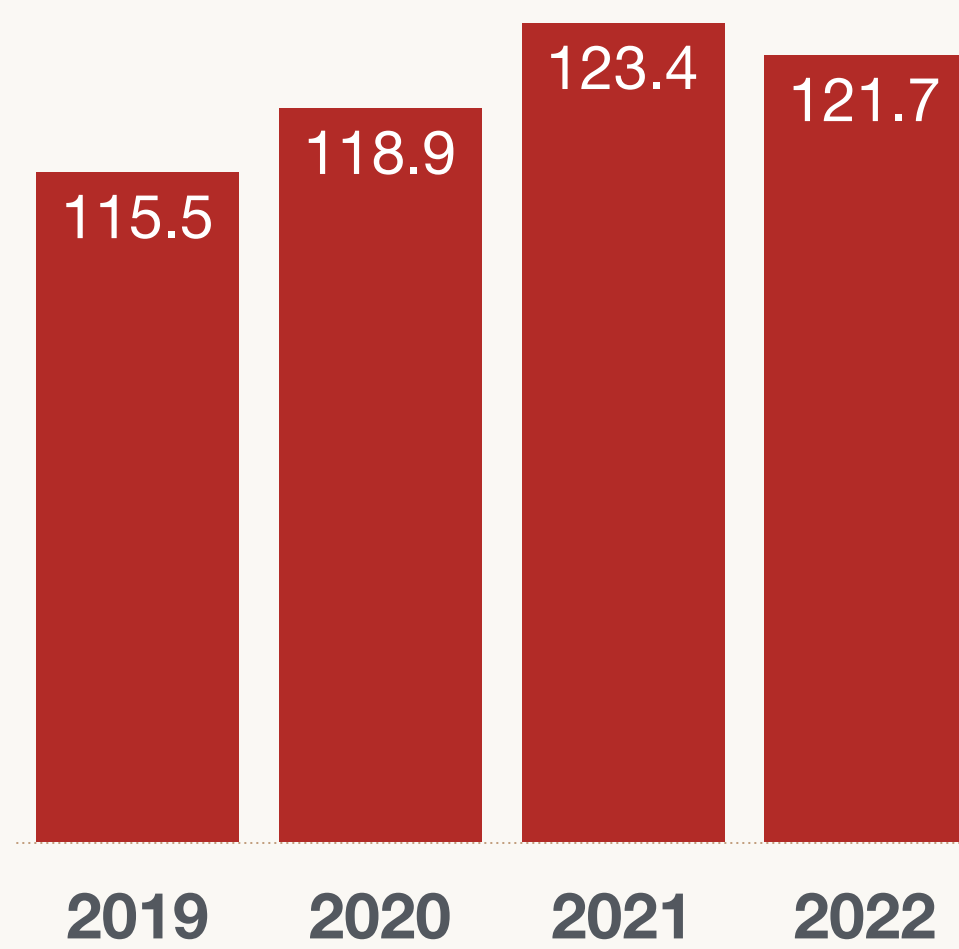
Total Assets

KD Millions



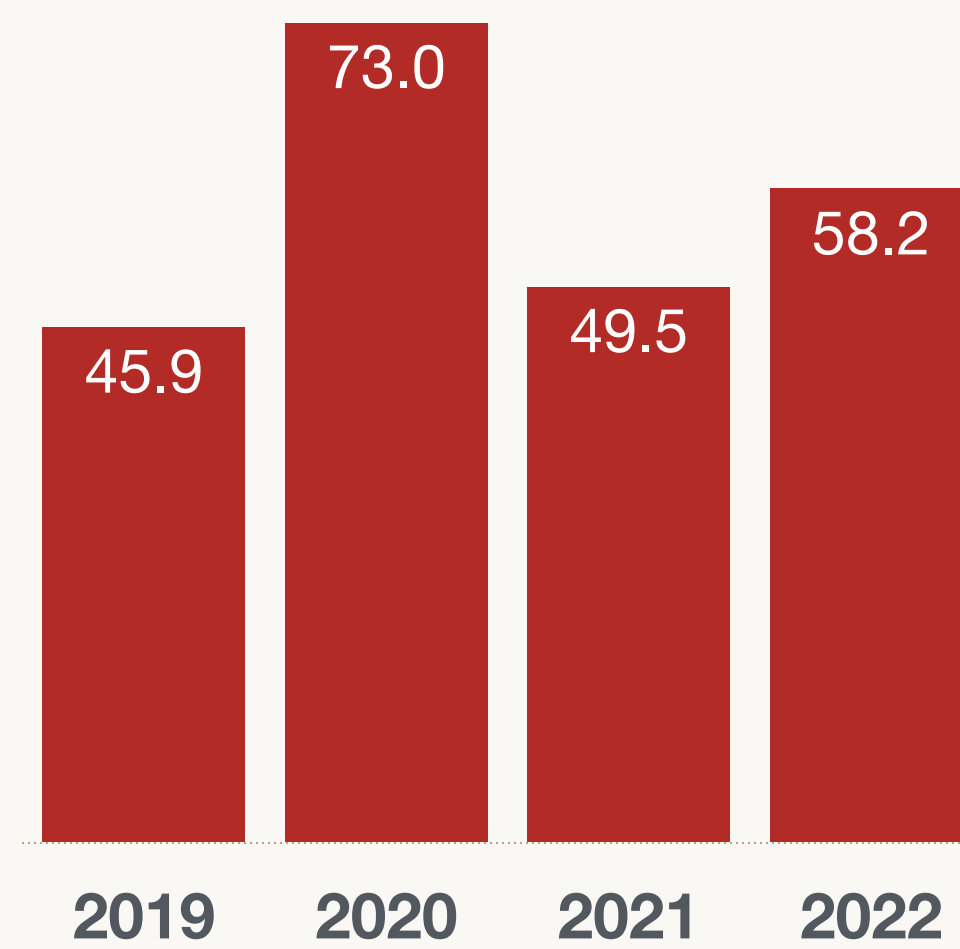
Equity

KD Millions



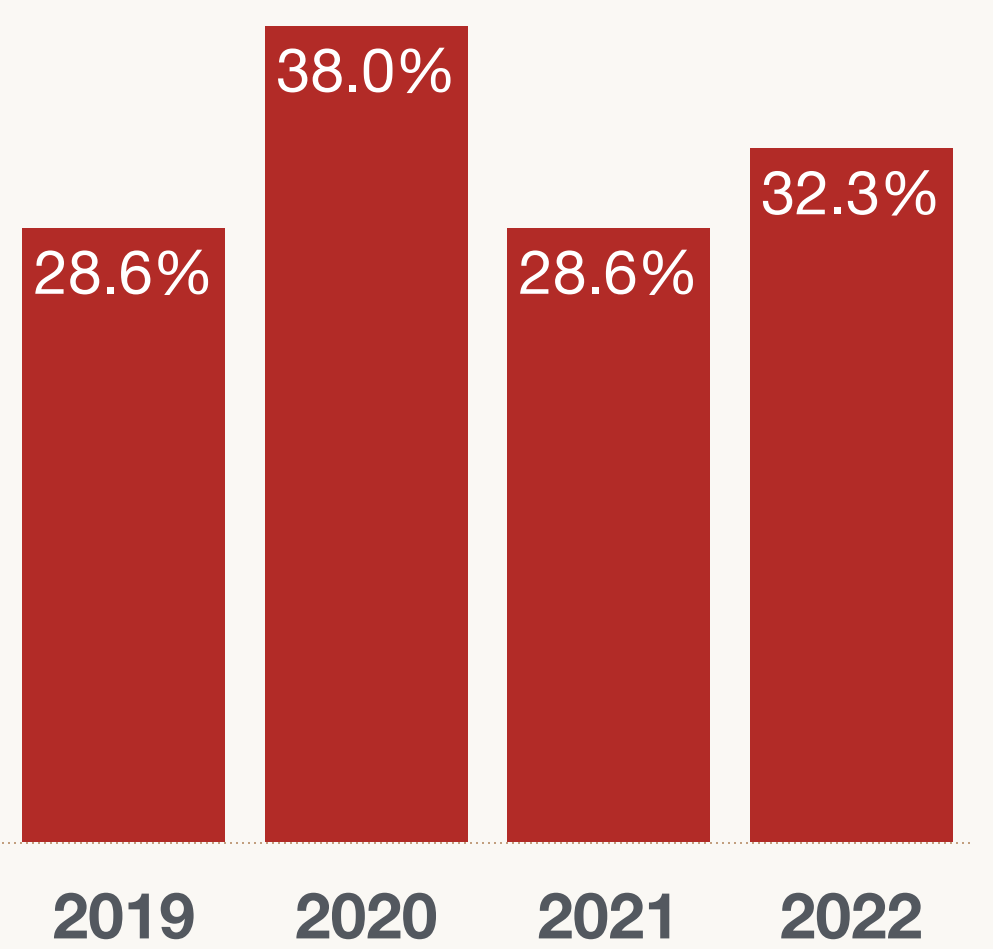
Net Debt

KD Millions



Net Debt to Capitalization

%





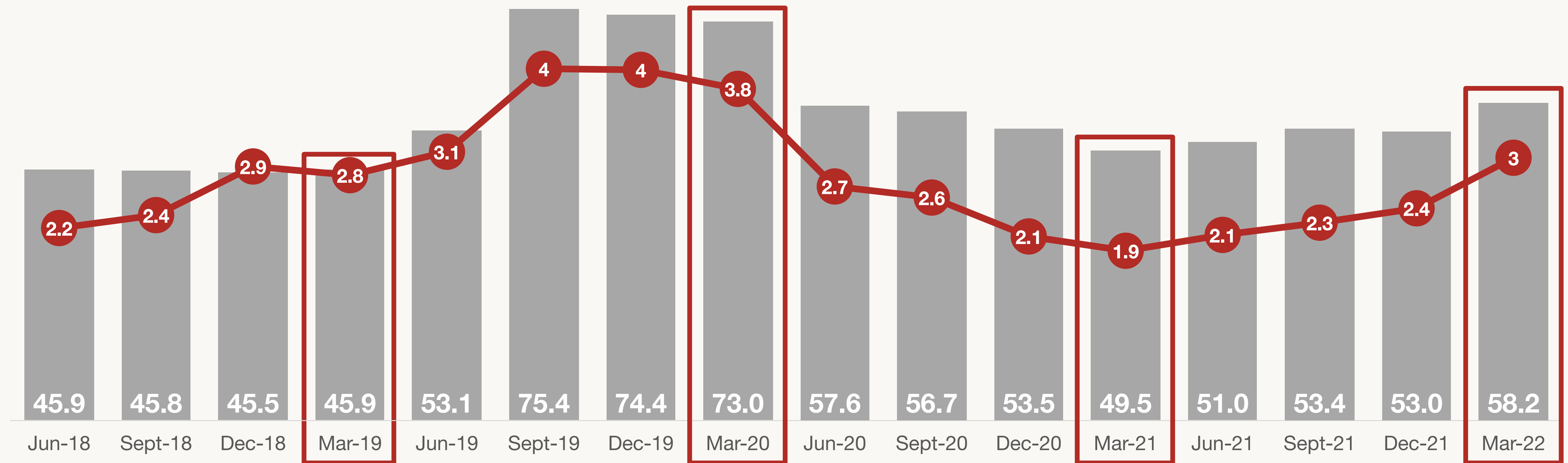
A note on debt levels

KD Millions



Net Debt stood at KWD 58.2mn: Up by KWD 5.2mn from Dec 2021 levels, mainly due to 1.2mn increase in bank overdraft and 2.3mn decrease in cash balances.

Net Debt / EBITDA of 3.01x (Yearly) up by 0.27x vs Dec 2021.



■ Net debt ● Net Debt/EBITDA(LTM)





Q & A



Investor Relations Contact

Omar Fouda

Investor Relations Manager
omar.fouda@mezzan.com