



# Q2 2022 Earnings Presentation

August 15, 2022



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# Agenda

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- Tailwinds & Headwinds
- H1 2022 Results
- H1 2022 Financial Review
- Q&A





## Mezzan Today: Tailwinds

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- Saudi, UAE and Qatar Food segment continue to improve.
- Kuwait demand holding up well.
- Jordan KITCO salty snacks launch remains on track.





## Mezzan Today: Headwinds

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- Inflation – uncertainty around supply and pricing continues to be a strain.
- Receivables – Good long-term, customers in short-term difficulties.
- Staff churn.
- Delay in KSPICO factory upgrade.



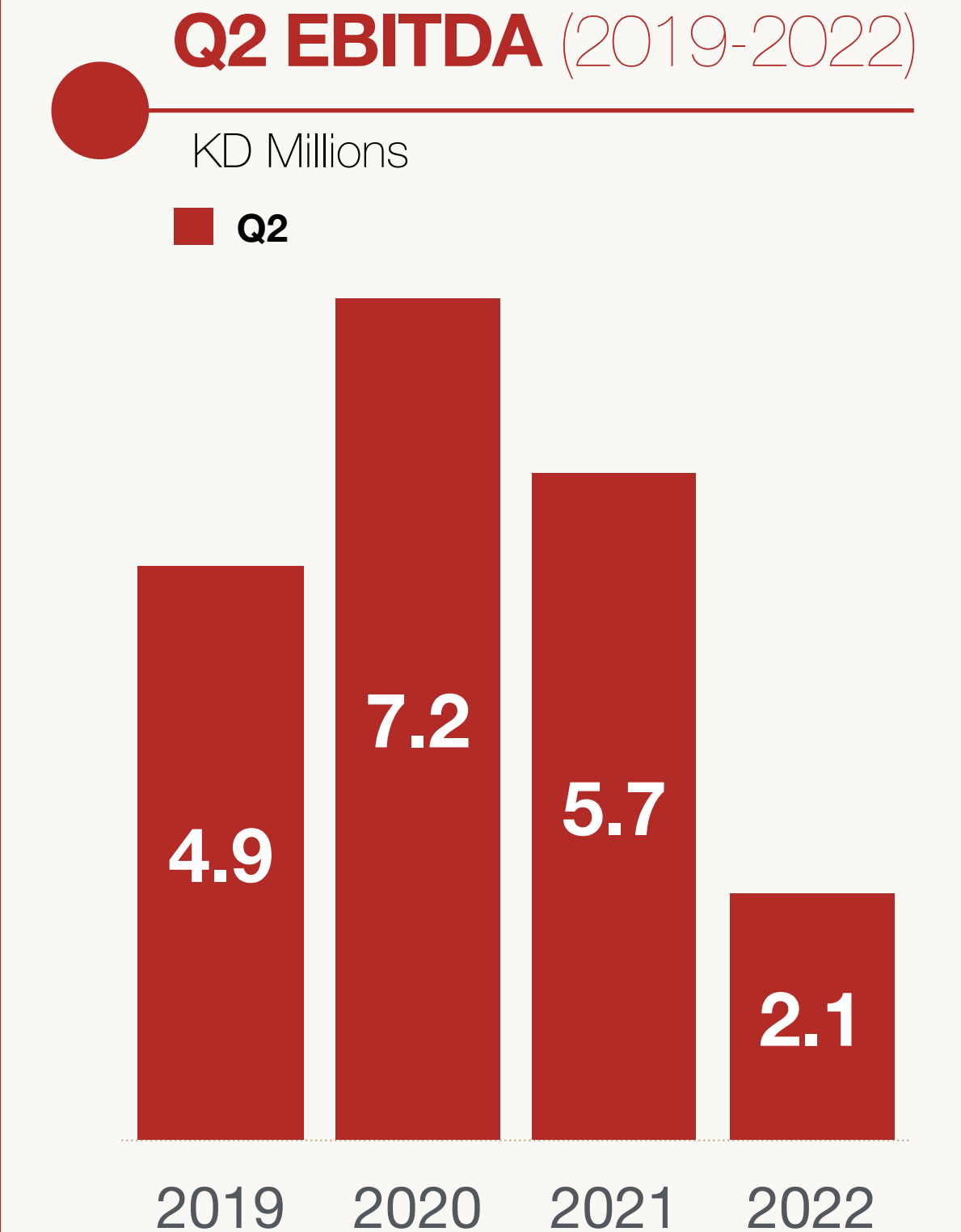


# Mezzan Today: Earnings Highlights

KD Millions

	<u>Q2'22</u>	<u>Q2'21</u>	<i>% Diff</i>	<u>H1'22</u>	<u>H1'21</u>	<i>% Diff</i>
<b>Revenue</b>	61.5	60.7	+1.4%	134.0	134.0	0.0%
<b>EBITDA</b>	2.1	5.7	-63.7%	8.3	14.3	-42.3%
<b>Net Income</b>	-1.0	2.8	-137.2%	2.0	8.3	-75.6%
<b>Net Profit</b>	-1.1	2.3	-146.2%	1.9	7.2	-73.9%

*Attributable to Equity  
Holders of Parent  
Company*

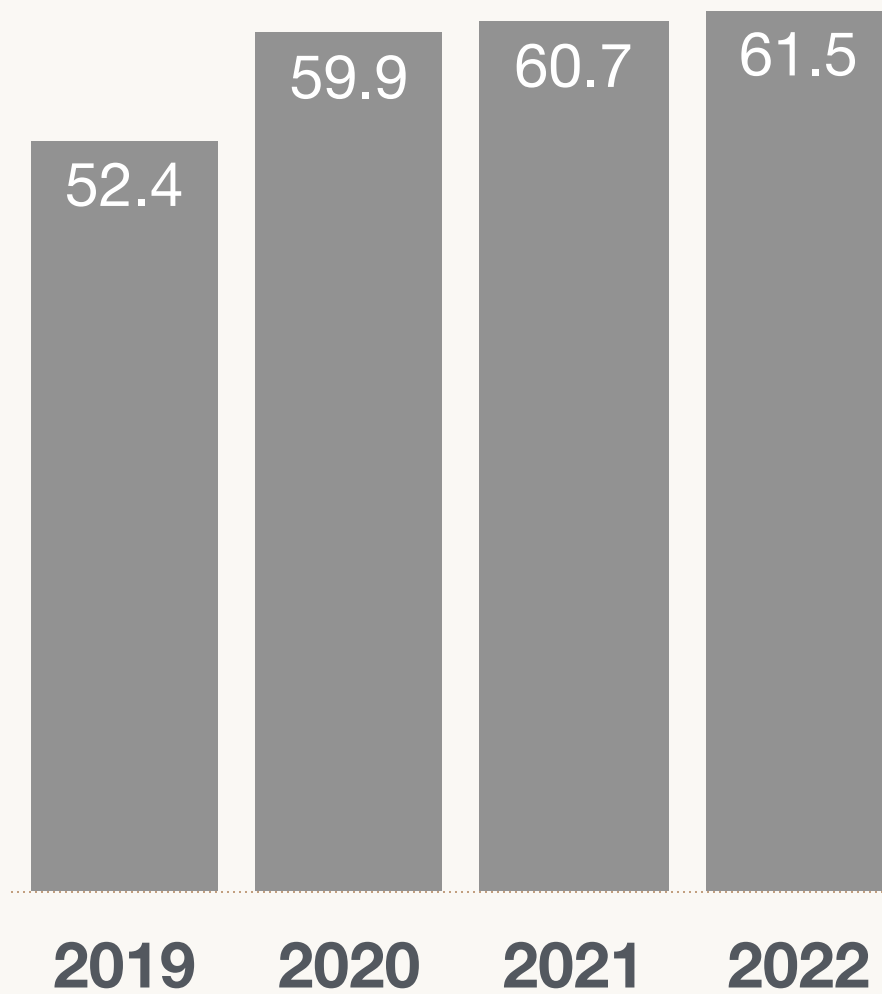




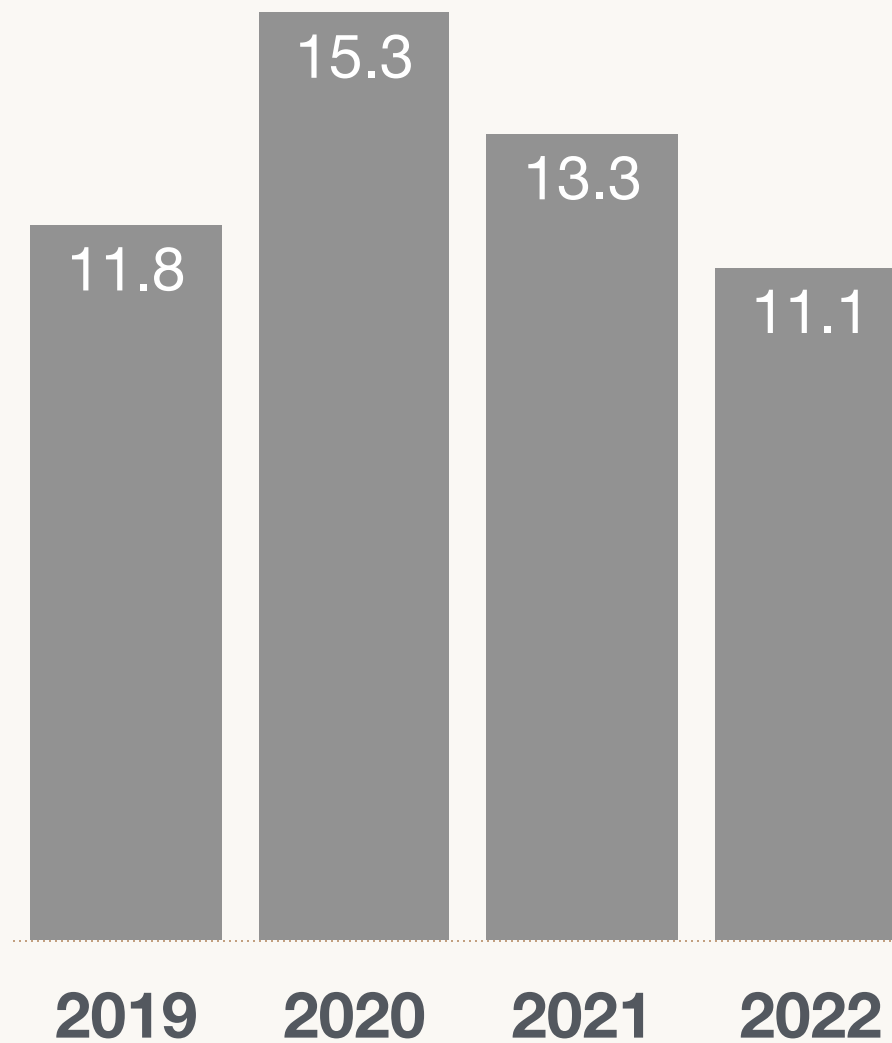
# Mezzan Today: Q2 Historical Performance

KD Millions

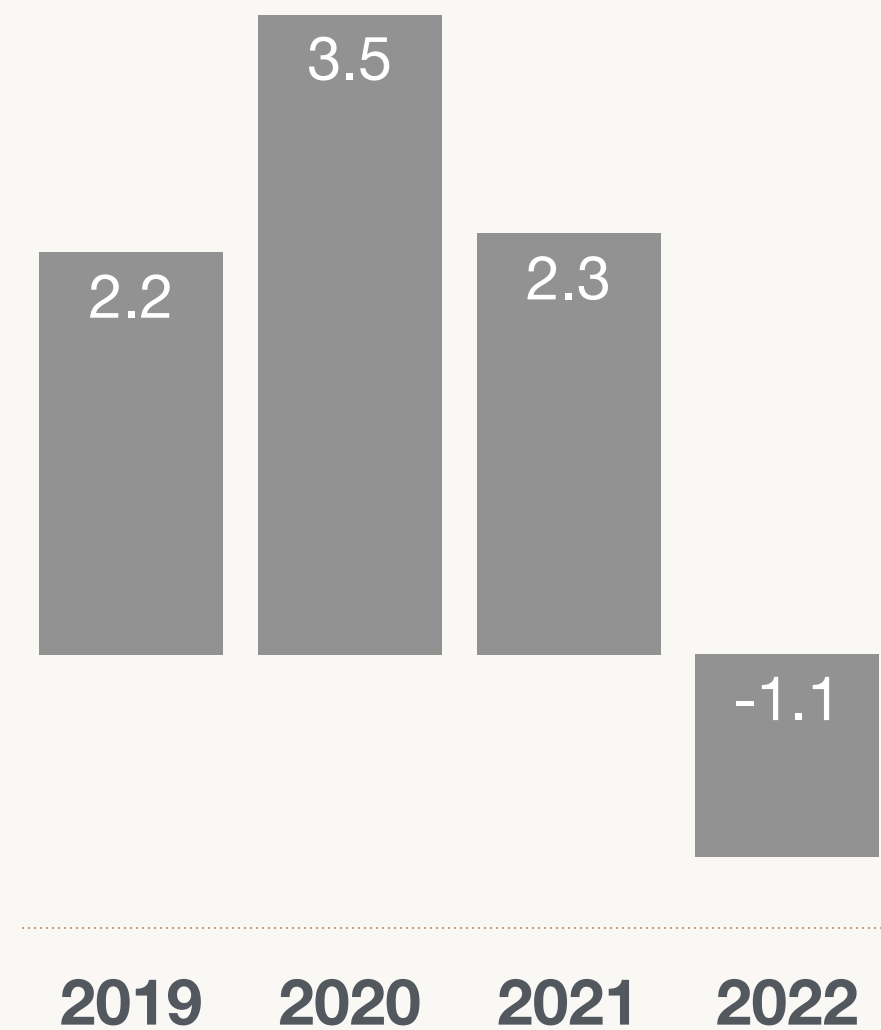
## Q2 Revenue



## Q2 Gross Profit



## Q2 Net Profit



# Financial Review





# H1'22 Revenue: Contribution by Business Line

**FOOD REVENUE +3.9%**

Vs.H1'21



66%

Share of of total Group Revenue

**NON-FOOD REVENUE -6.9%**

Vs.H1'21



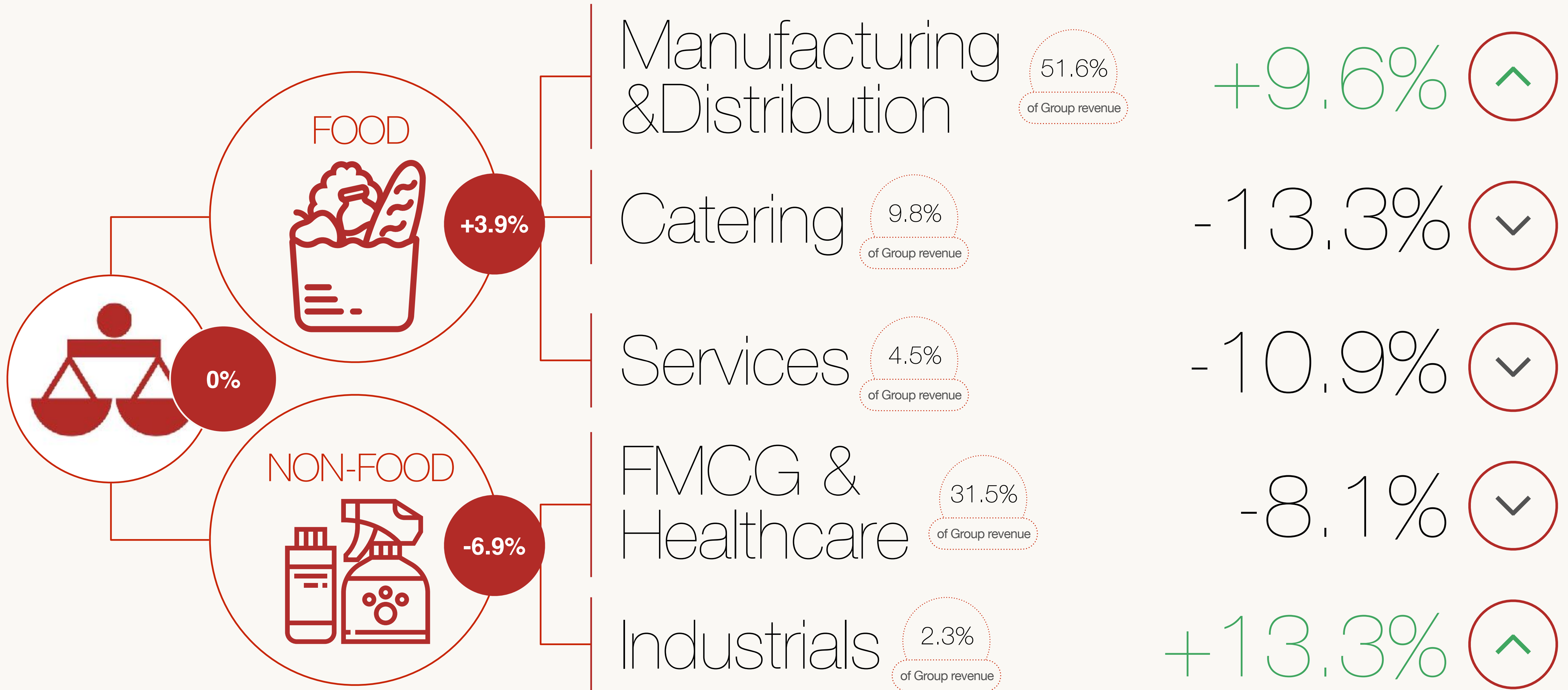
34%

Share of of total Group Revenue



# H1'22 Revenue: Growth by Business Division

Vs.H1'21



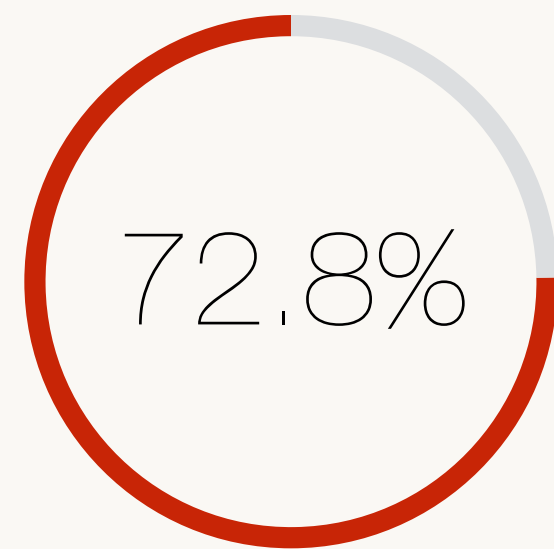


# H1'22 Revenue: Contribution and Growth by Country

○ Top-line Contribution

Vs.H1'21

**Kuwait**



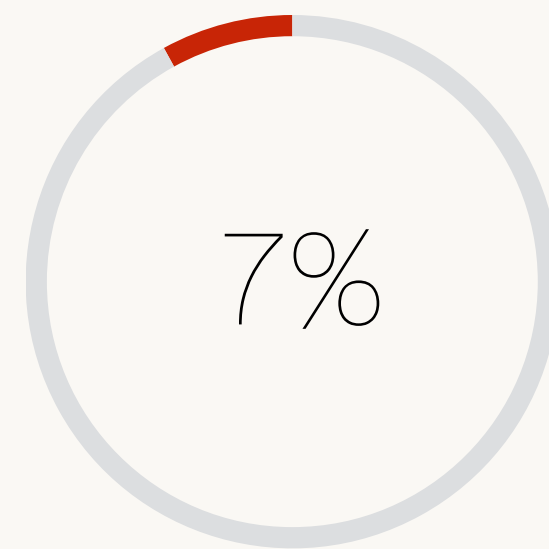
▼  
**-3.8%**

**UAE**



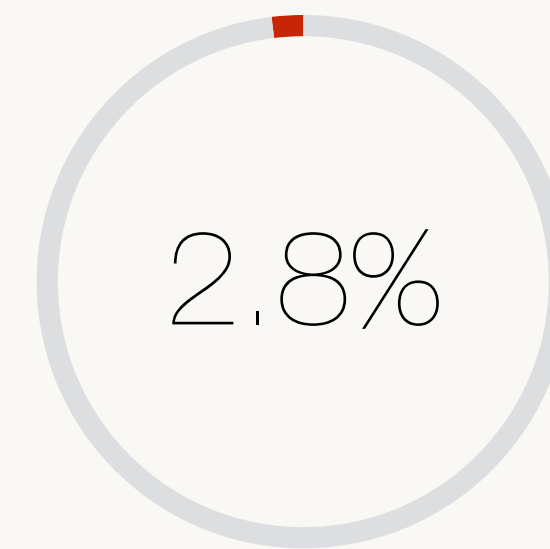
▲  
**+21.6%**

**Qatar**



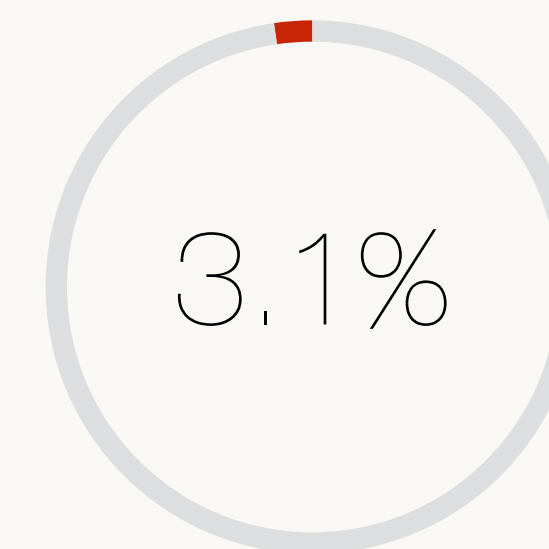
▼  
**-1.9%**

**KSA**



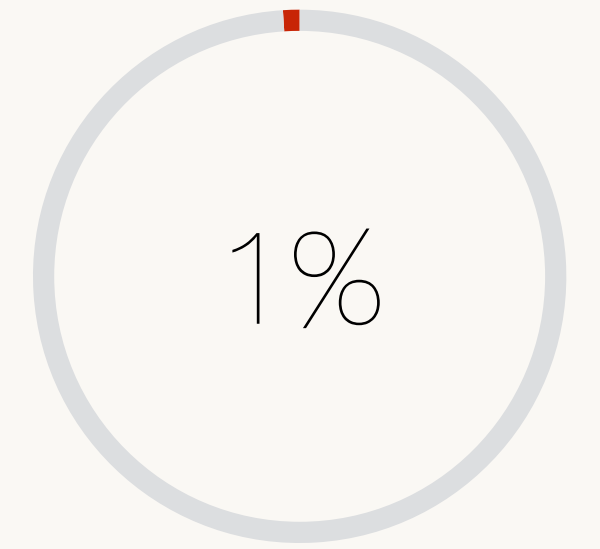
▲  
**+38.1%**

**Jordan**



▲  
**+16.7%**

**Iraq**



▲  
**+5.3%**





# H1'22: P&L

KD Millions

	<u>Q2'22</u>	<u>Q2'21</u>	<u>% Diff</u>	<u>H1'22</u>	<u>H1'21</u>	<u>% Diff</u>
<b>Revenue</b>	<b>61.5</b>	<b>60.7</b>	1.4%	<b>134.0</b>	<b>134.0</b>	0%
<b>Gross Margin</b>	<b>11.1</b>	<b>13.3</b>	-16.9%	<b>25.6</b>	<b>29.5</b>	-13.1%
<i>GM %</i>	18.0%	21.9%		19.1%	22.0%	-2.9%
<b>SG&amp;A / Other</b>	<b>-11.3</b>	<b>-9.8</b>	-16%	<b>-22.0</b>	<b>-19.5</b>	-12.7%
<b>Operating Profit</b>	<b>-0.3</b>	<b>3.5</b>	-107.9%	<b>3.6</b>	<b>10.0</b>	-63.7%
<b>Other</b>	<b>-0.7</b>	<b>-0.6</b>	-18%	<b>-1.4</b>	<b>-1.3</b>	-11.3%
<b>Underlying Profit before Tax</b>	<b>-1.0</b>	<b>2.9</b>	-135%	<b>2.2</b>	<b>8.7</b>	-74.5%
<b>Tax</b>	<b>0.0</b>	<b>-0.1</b>	83.8%	<b>-0.2</b>	<b>-0.4</b>	49.5%
<b>Underlying Net Profit</b>	<b>-1.0</b>	<b>2.8</b>	-137.2%	<b>2.0</b>	<b>8.3</b>	-75.6%
<i>UNP %</i>	-1.7%	4.6%	-6.3%	1.5%	6.2%	-4.7%
<b>Reported Net Profit</b>	<b>-1.0</b>	<b>2.8</b>	-137.2%	<b>2.0</b>	<b>8.3</b>	-75.6%
<i>NP %</i>	-1.7%	4.6%	-6.3%	1.5%	6.2%	-4.7%
<b>Net Profit Attributable to Shareholders</b>	<b>-1.1</b>	<b>2.3</b>	-146.2%	<b>1.9</b>	<b>7.2</b>	-73.9%



# H1'22: CASHFLOW

KD Millions

	<b>2022</b>	<b>2021</b>	<b>Diff</b>
Operating Cashflow before WC changes	<b>12.1</b>	15.4	-3.3
Working Capital changes*	<b>-9.8</b>	-2.3	-7.5
Operating Cash flow	<b>2.3</b>	13.1	-10.7
Net cash used in Investing activities	<b>-8.0</b>	-2.9	-5.1
Cash flow before financing	<b>-5.6</b>	10.2	-15.8
Proceeds from loans and borrowings	<b>5.0</b>	0.1	4.9
Repayment of loans and borrowings	<b>0.0</b>	-1.1	1.1
Principal payment of lease liability	<b>-0.8</b>	-0.6	-0.2
Dividends & purchase of treasury shares	<b>-6.4</b>	-5.9	-0.4
Financing costs	<b>-1.4</b>	-1.2	-0.5
Cash flow after financing	<b>-9.3</b>	1.5	-10.8
YTD Change in Net Debt	<b>-9.2</b>	1.4	-10.6
Net (decrease) increase in cash and cash equivalents	<b>-9.2</b>	1.4	-10.6
Loans and borrowings	<b>5.0</b>	0.1	4.9
Cash and cash equivalents at 1 January 2022	<b>15.4</b>	16.3	-0.9
Cash and cash equivalents at 30 June 2022	<b>6.2</b>	17.7	-11.5



In 2022, lower operating cash flow driven by lower net profit and higher capital spend.

Net Capital Spent (Capex) before disposal of KD 8.2 million for YTD'22.

Cash in hand as of June 22:  
Decreased by KD 11.5 million v LY mainly due to decrease in net profit by KD 6.3 million and increase in investing activities.

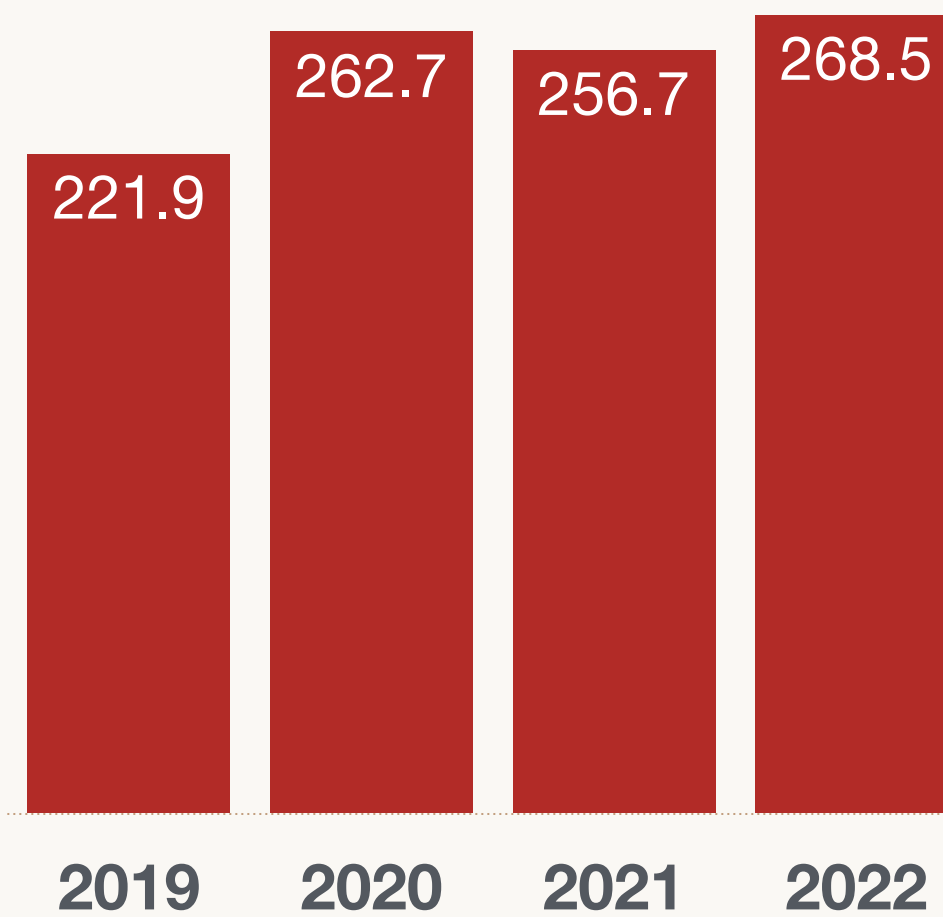


# Balance Sheet as of June 30, 2022

KD Millions

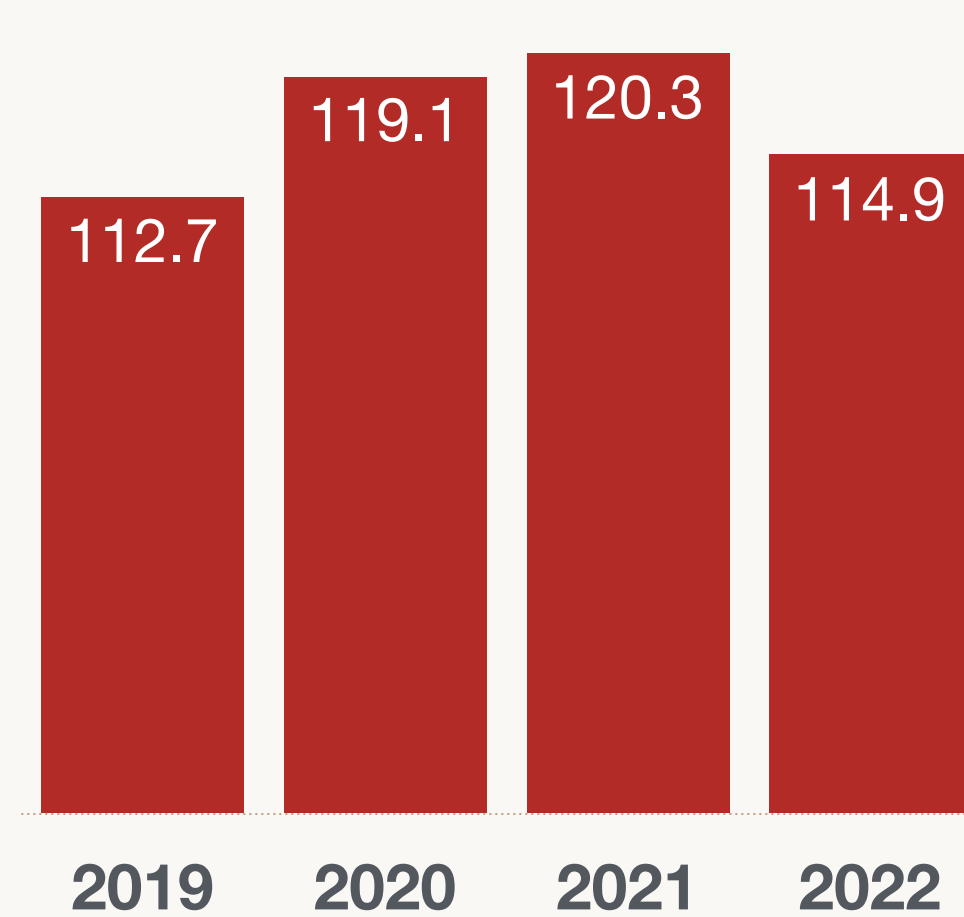
## Total Assets

KD Millions



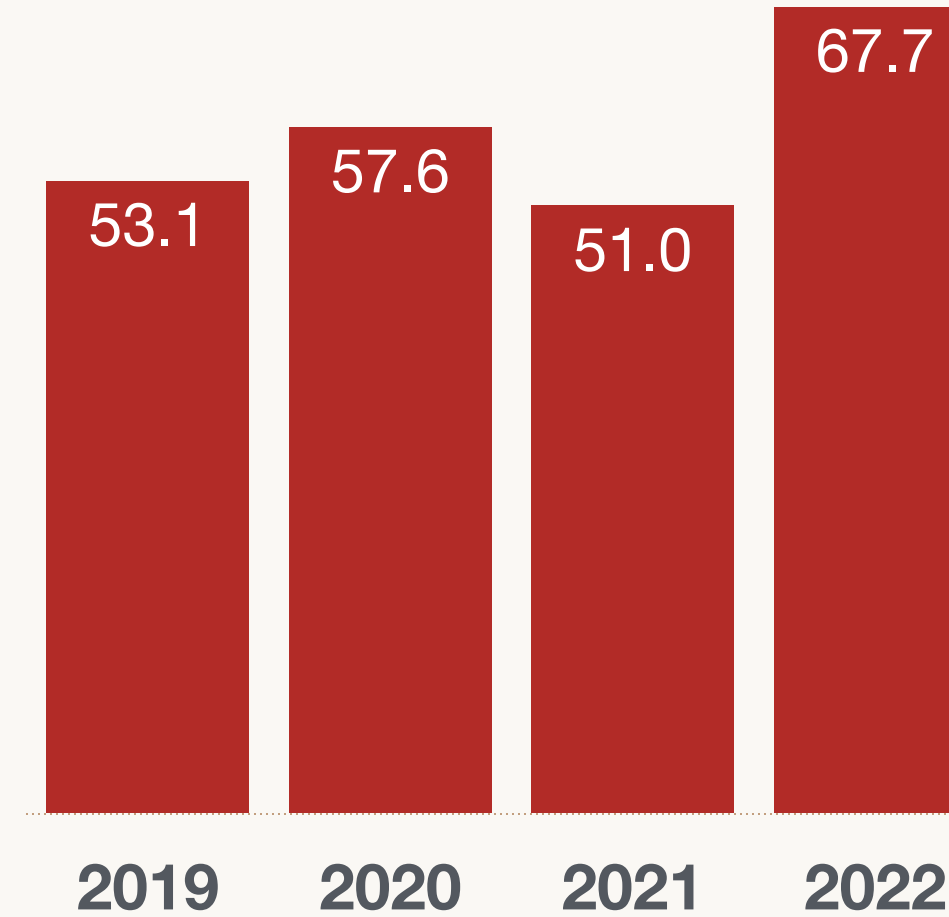
## Equity

KD Millions



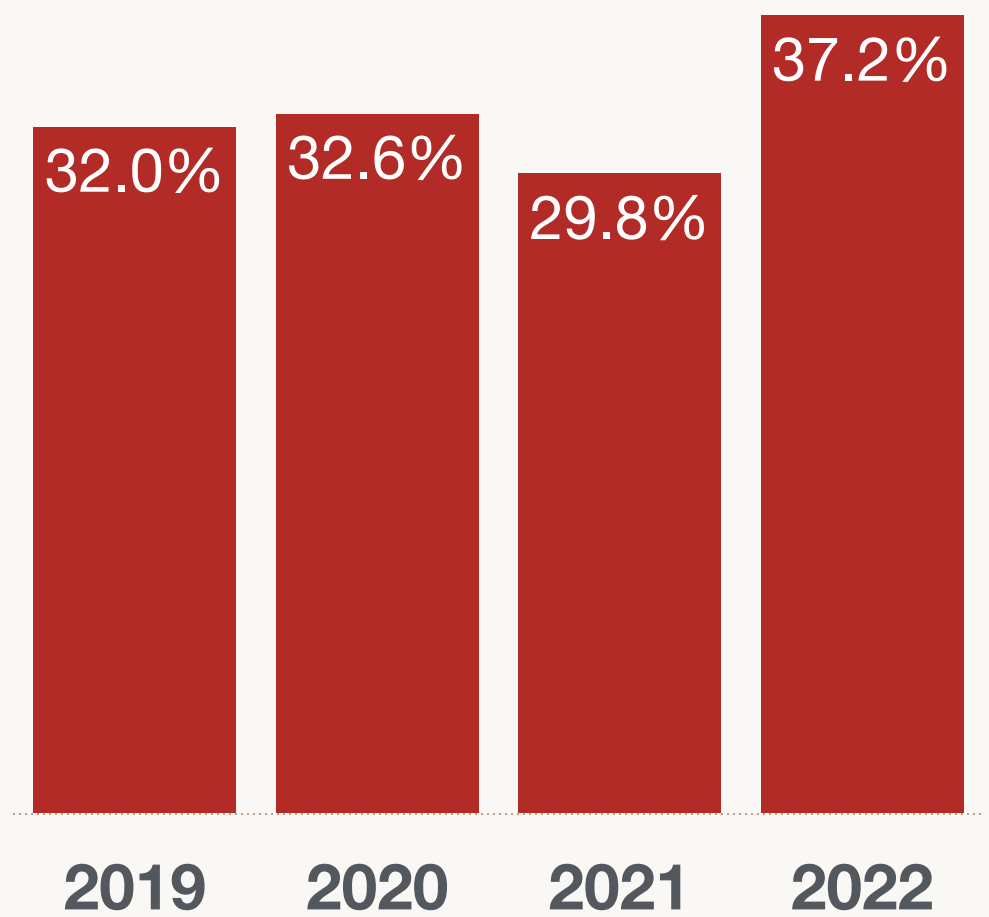
## Net Debt

KD Millions



## Net Debt to Capitalization

%





# A note on debt levels

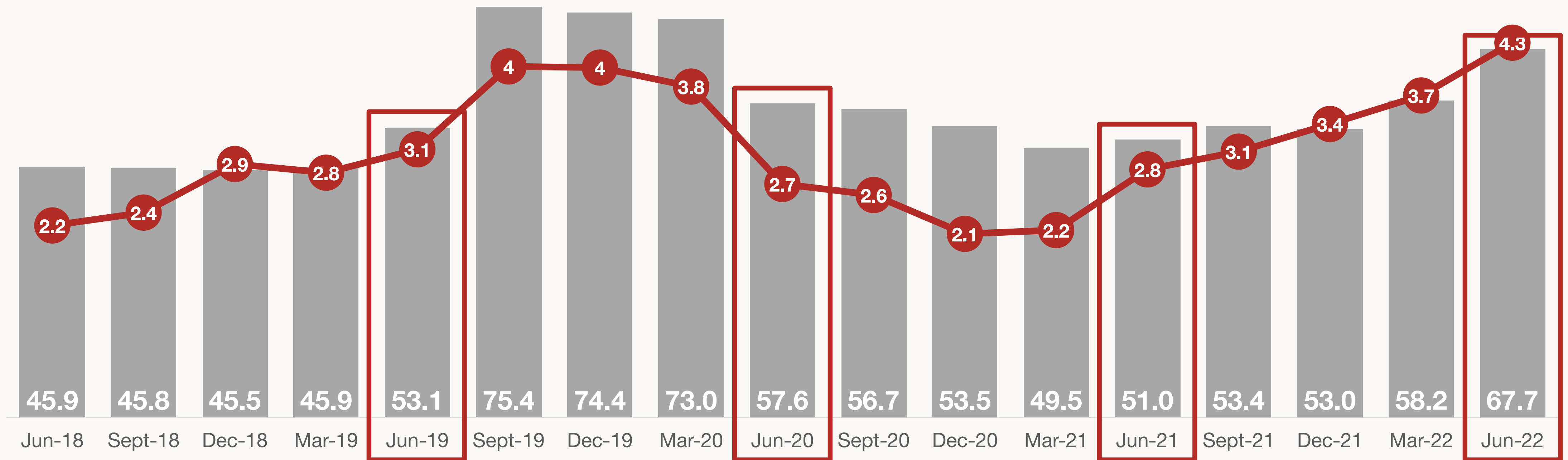
KD Millions



## Net Debt stood at **KD 67.7 million**:

Up by **KD 16.7 million** from June 2021 levels, mainly due to **5.1 million** increase in Capital Investment and **KD 11.6 million** decrease in cash balances.

Net Debt / EBITDA of **4.3 (Yearly)** up by **2.2** vs June 2021.



■ Net debt    ● Net Debt/EBITDA(LTM)



Q & A





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