

المنجم
ALMUNAJEM
للأغذية Foods



INVESTOR PRESENTATION

Q1 2023/FY 2022

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KEY HIGHLIGHTS

FINANCIAL AND OPERATIONAL PERFORMANCE



KEY FINANCIAL & INVESTMENT HIGHLIGHTS 2022

256,000+ MT
Annual Imports

SAR 2.98bn
Annual Sales

1 of the biggest Saudi food company engaged in importing, marketing, distribution and production of leading brands of frozen, chilled and dry food items.

58,000 MT
Storage Capacity

SAR 350m
EBITDA

Integrated operating and logistics model, network of 12 warehouses, with 1,000+ vehicles

21,800
Customer Outlets

11.8%
EBITDA margin

Operations underpinned by best in class technology platforms

800+
SKUs

SAR 290m
Net profit

Strong and experienced management team to execute well-defined growth strategy

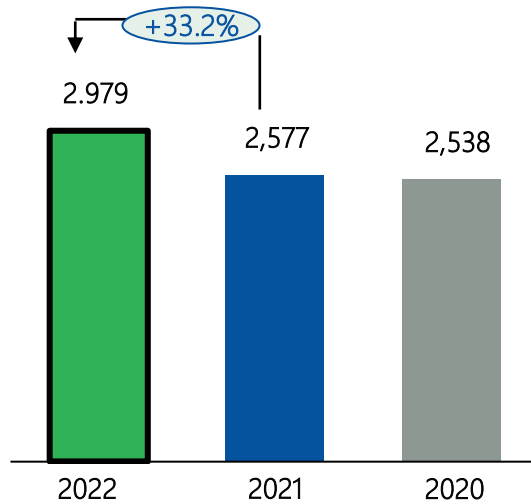
60+
Global suppliers

SAR 229m
FCF

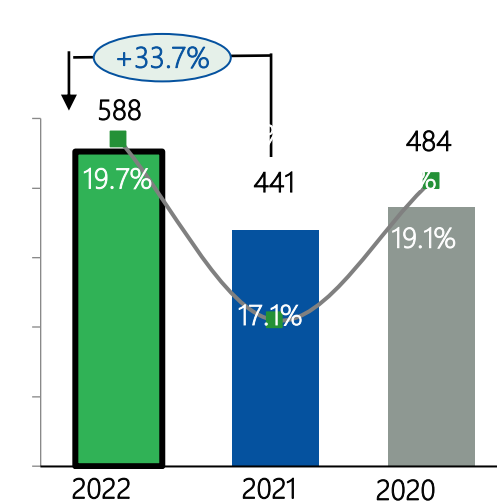
Significant underlying growth drivers in the steadily growing KSA F&B sector (retail, wholesale, food service)

FINANCIAL PERFORMANCE 2022 – INCOME STATEMENT HIGHLIGHTS

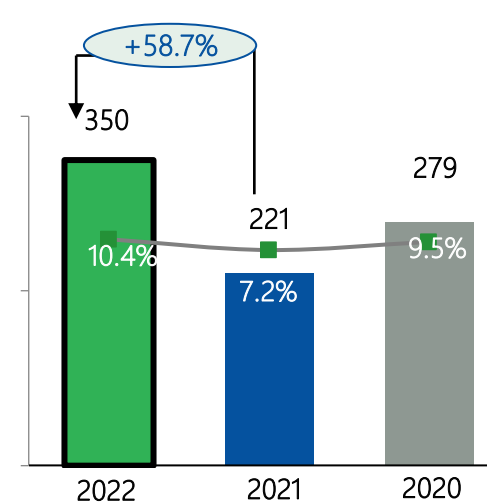
Sales (SAR millions)



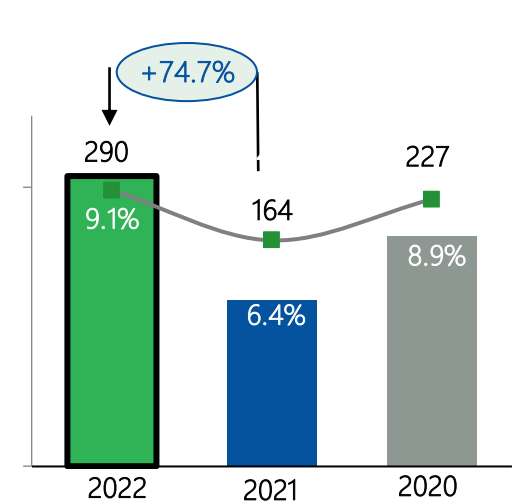
Gross Profit (SAR millions)



EBITDA (SAR millions)



Net Profit (SAR millions)

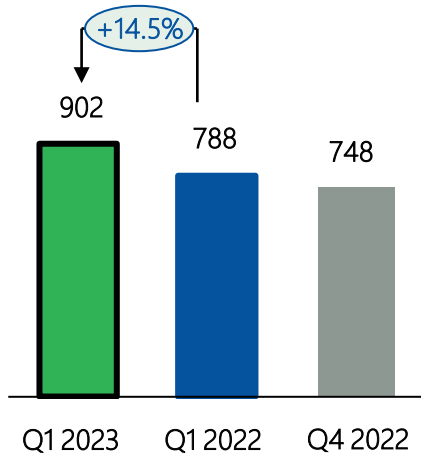


Commentary
for FY 2022:

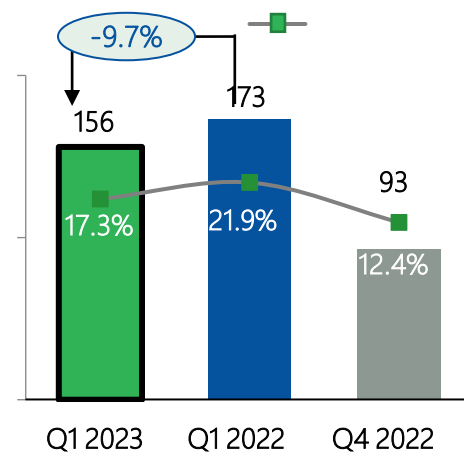
- **Significant increase in top line**, despite challenging market and operating conditions
- Solid gross margins, owed to evolving product portfolio across all categories and improved trade conditions
- Stable overheads, driven by strong control on expenses and on-going cost reduction initiatives

FINANCIAL PERFORMANCE Q1 2023 – INCOME STATEMENT HIGHLIGHTS

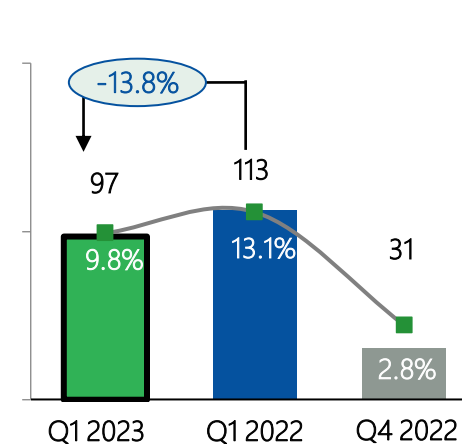
Sales (SAR millions)



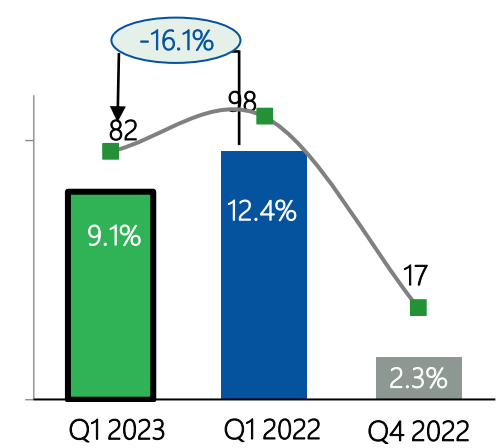
Gross Profit (SAR millions)



EBITDA (SAR millions)



Net Profit (SAR millions)

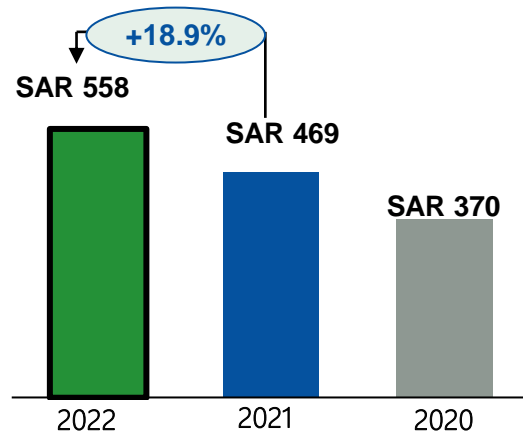


Commentary
for Q1 2023:

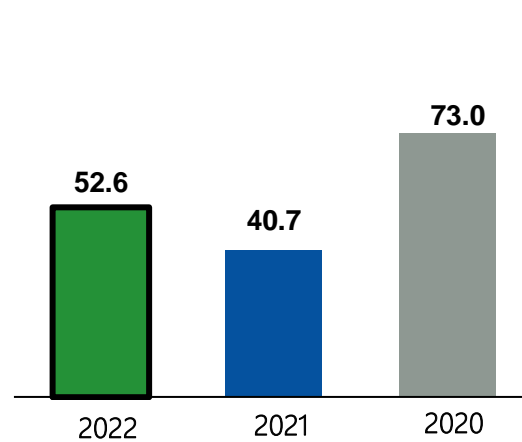
- **Steady increase in top line:** Stable sales growth mainly associated with volume growth in all categories
- Solid gross margins, however decreased in gross margins due to higher cost prices Vs. Q1 2022.
- Stable overheads due to ongoing cost cutting initiatives.

FINANCIAL PERFORMANCE 2022– LIQUIDITY & LEVERAGE POSITION

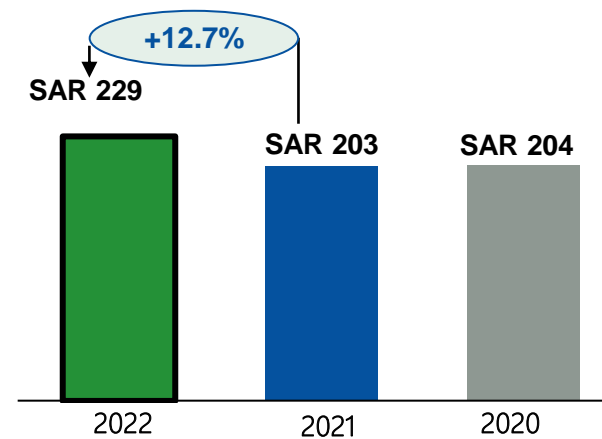
Net Working Capital (SAR millions)



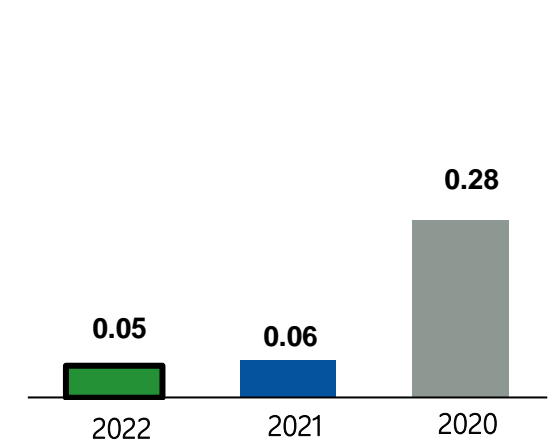
Cash Conversion Cycle (CCC)



Free Cash Flow (SAR millions)



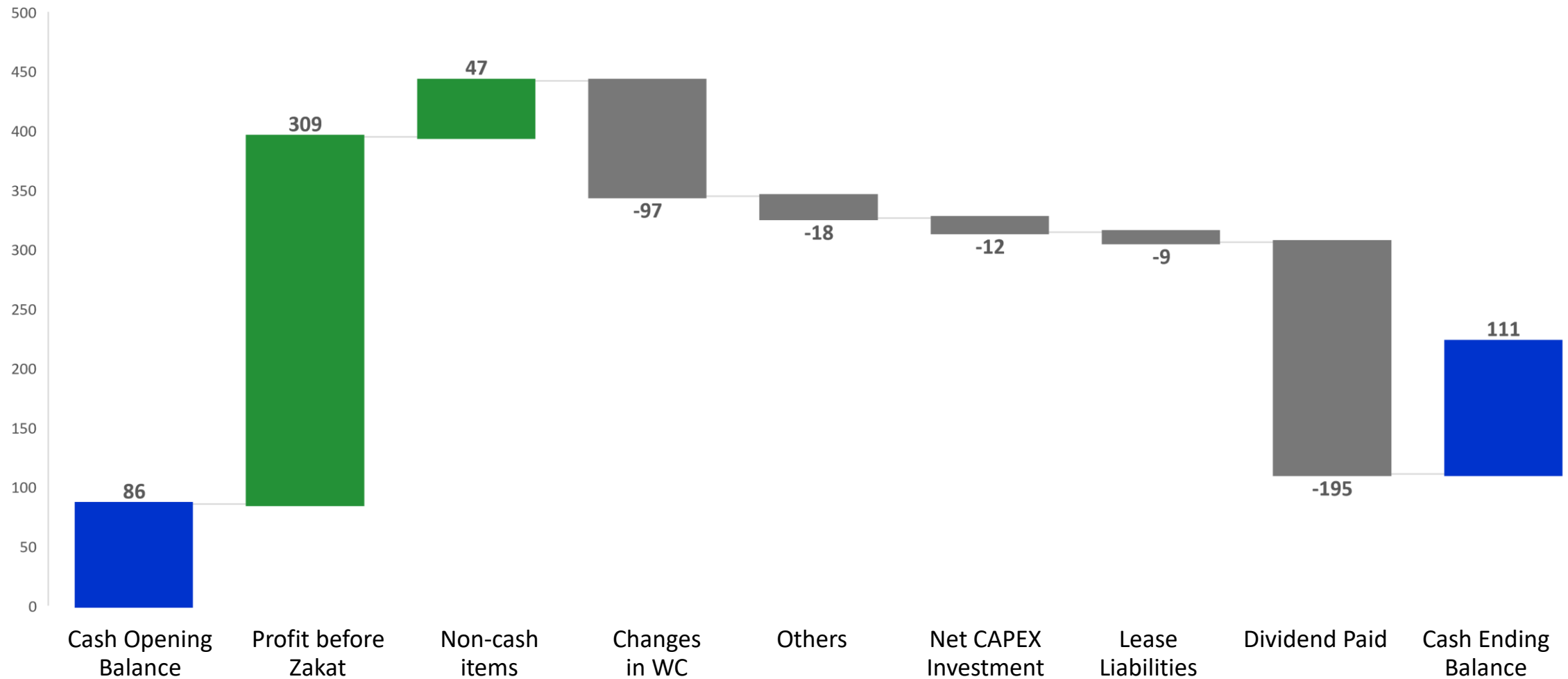
Debt/Equity Ratio



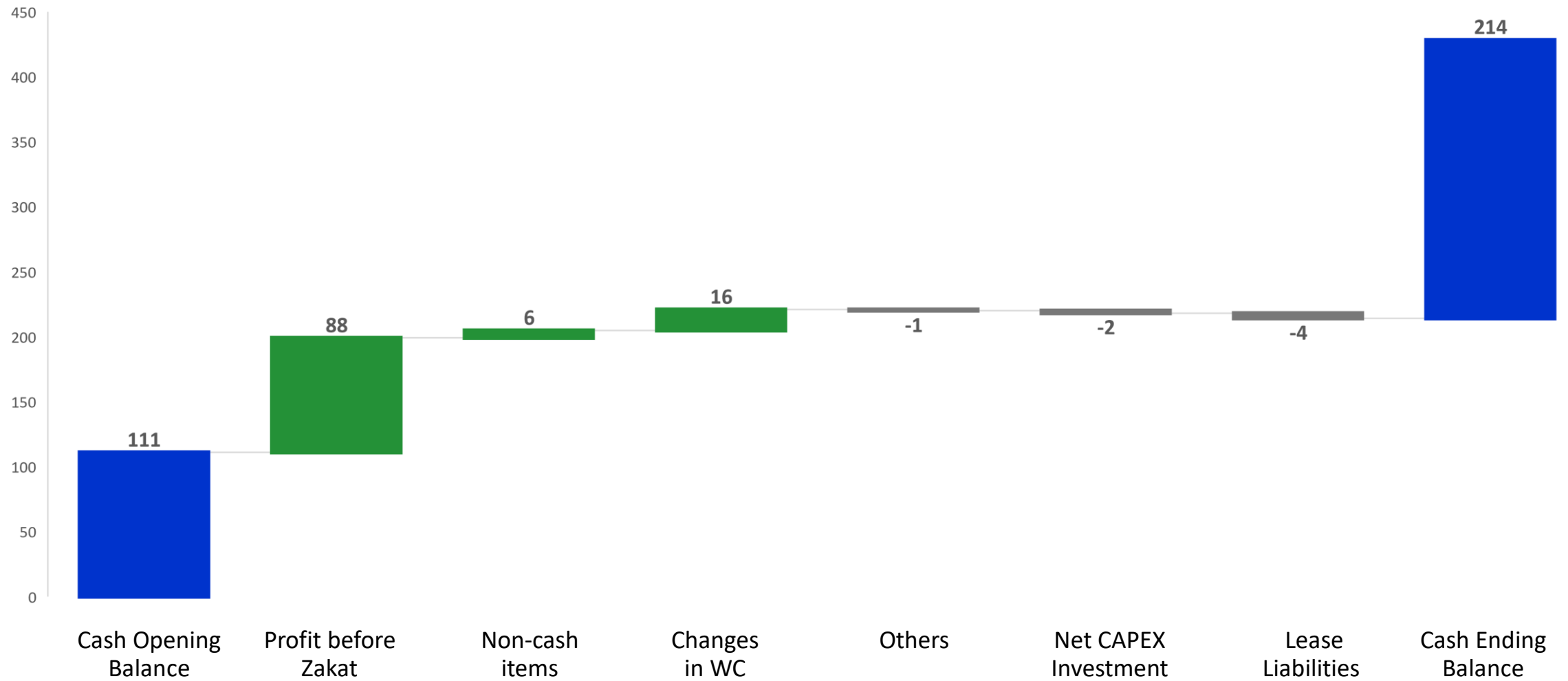
Commentary :

- **Efficient working capital management.** Working capital gradually increasing based on strategic needs of the operation. CCC improved from 2020, however increased by 12 days due to higher stocks at year end.
- **Prudent management of finances.** Company has maintained stable levels of FCF (Mean over 3-year period = SAR 212 million)
- **Low leverage position.** Company enjoys a low leverage position, ending the year 2022 with zero loans

CASH FLOW FY 2022



CASH FLOW Q1 2023



KEY OPERATIONAL HIGHLIGHTS 2022

- ① Sales reach increased to **21,800 customer outlets** by end of 2022
- ② In response to emerging demand trends, we introduced **25 new products** in pastry , frozen fruits and vegetables, pizzas, and ready meals
- ③ **Sustainability** drive by installing 3,500+ solar panels on Riyadh warehouse, saving 1,300 MT per annum in Co₂ emissions. It will generate c. 30% of onsite energy requirements.
- ④ Expansion of meat factory in Jeddah continues. **Expansion phase 1** which increased total production capacity to 11,000 MT was completed in last quarter of 2022 and **phase 2** which further increases the production capacity to 15,000 MT will be completed by end of Q2 2023.

MARKET OUTLOOK AND STRATEGY



CURRENT GLOBAL MARKET ENVIRONMENT - 2023

Operating Environment

- Environment is rapidly changing as global geopolitics and macro-economic challenges prevail.
- We continue to navigate this environment exercising prudence and leveraging our well-balanced business model and efficient operations to maintain and grow our strong position in the marketplace.

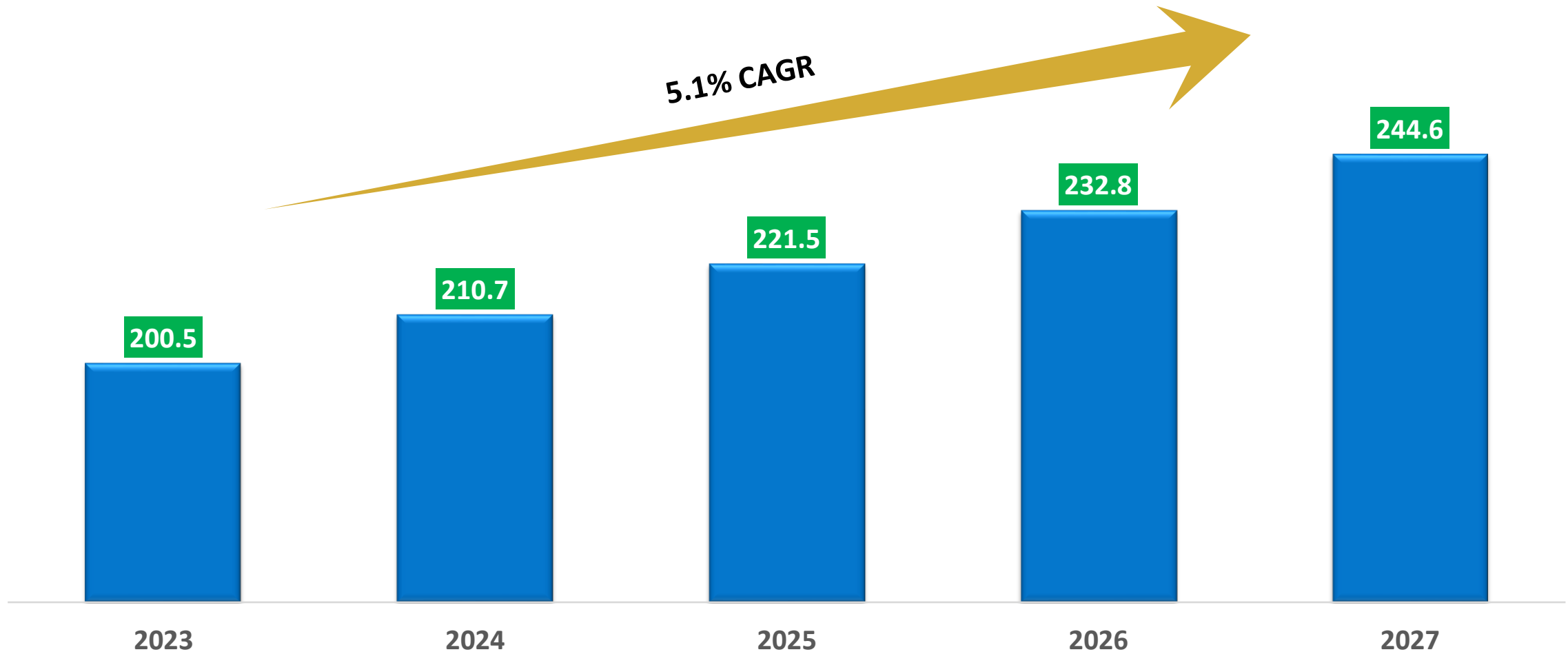
Cost Inflation

- 2023 inflationary environment is anticipated to decelerate to about 2.6% Vs. 3.3% last year as Kingdom is taking several steps to curb inflation which has risen globally since COVID 19. Management is carefully monitoring the environment and the relevant steps will be taken in line with other F&B players.
- However, we are focused on driving sustainable growth by capitalizing on favorable growth drivers underpinning the KSA F&B.

KSA F&B SECTOR OUTLOOK (2023 – 2027)

Figures in 'SAR bn'

5.1% CAGR



KSA CONSUMER CONSUMPTION TRENDS

Category

Consumption Trends

Red & White Meats

- Anticipated sales growth as poultry and seafood, as both as perceived as a healthy food choice.
- Increase number of fine dining in KSA

Frozen Fruit & Vegetables

- Increased health consciousness, especially amongst the youth
- Increase in number Food Service outlets
- Increase in trend of ready to eat/easy to cook meals

Dairy

- Perceived as a healthy option and is an easy to cook, ready to eat food choice

Olive & oils

- Seen as a healthy choice, part of the widely popular “Mediterranean Diet”

STRATEGIC PRIORITIES

Portfolio diversification

Further product portfolio diversification growing from 13 to 18 major categories (15 new sub-categories) with specific focus on shifting to higher growth and higher margin categories and sub-categories.

Channel enhancement

Defending leadership position within the Retail sector in terms of market share across all categories and sub-categories, and further strengthen presence in Food Service channel and increase the revenue contribution significantly by 2027.

Backward Integration & increase in local content

Investing in backward integration by raising the meat plant production capacity. Also focus on increasing the local content by 2027 through expansion in manufacturing and partnering with local producers to distribute and co-pack their products.

Third party logistics (3PL)

Grow 3PL business to develop additional revenue stream using its widely established state of the art logistics network covering entire Kingdom with 12 branches. Warehouses are installed with fully automated racking system, multi-temperature and cooling control and managed through Oracle ERP system.



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THANK YOU