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ALMUNAJEM  
للأغذية Foods



# EARNINGS PRESENTATION

Q4/FY 2021

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# KEY HIGHLIGHTS

FINANCIAL, PRODUCT AND OPERATIONAL PERFORMANCE

# KEY FINANCIAL & INVESTMENT HIGHLIGHTS 2021

**280,000+ MT**  
Annual Imports

**SAR 2.57bn**  
Annual Sales

#1 Saudi food company for the import, market, distribution and production of leading brands of frozen, chilled and dry foodstuff

**55,000 MT**  
Storage Capacity

**SAR 220m**  
EBITDA

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

**21,700**  
Customer Outlets

**8.6%**  
EBITDA margin

Operations underpinned by best in class technology platforms

**800+**  
SKUs

**SAR 166m**  
Net profit

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

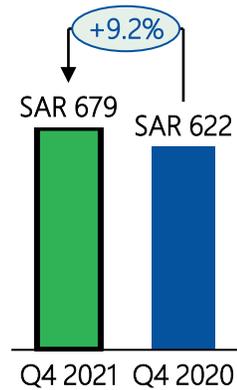
**60+**  
Global suppliers

**SAR 203m**  
FCF

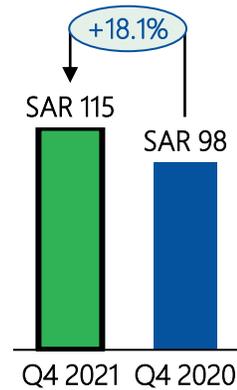
Significant underlying growth drivers in the steadily growing KSA F&B sector (retail, wholesale, food service)

# FINANCIAL PERFORMANCE – INCOME STATEMENT HIGHLIGHTS

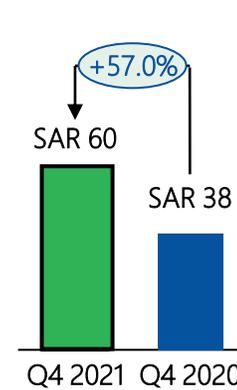
### Sales (SAR millions)



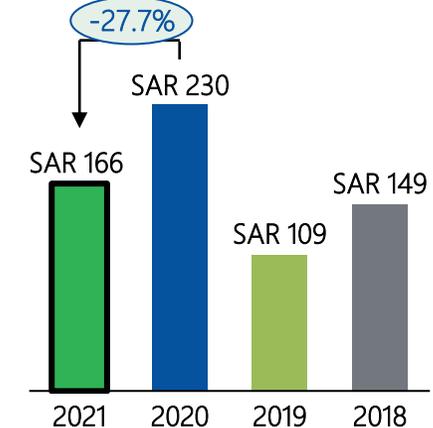
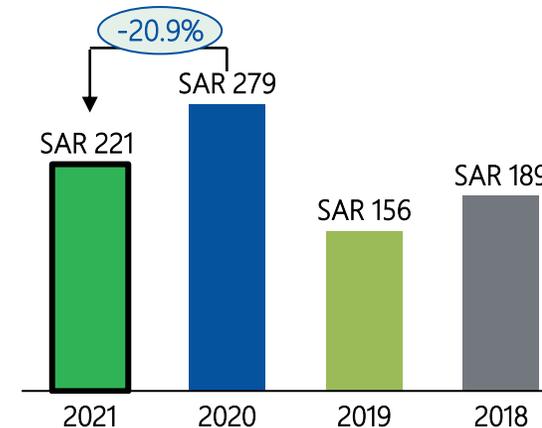
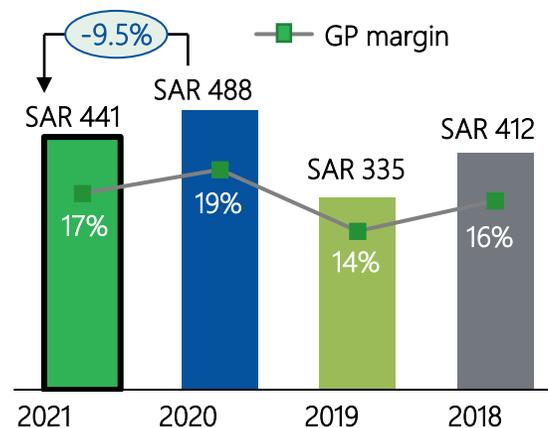
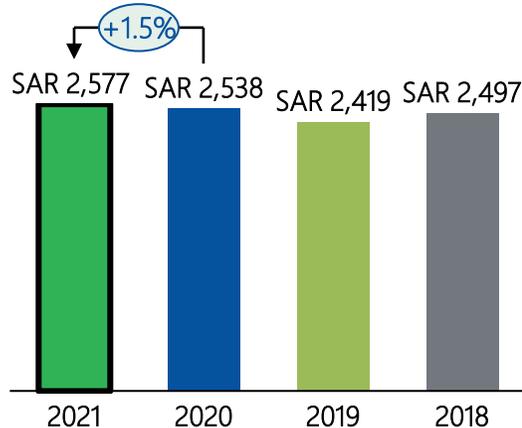
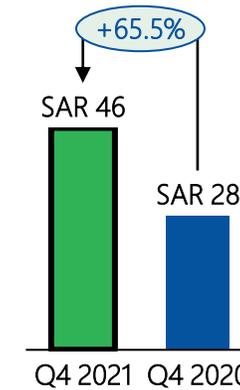
### Gross Profit (SAR millions)



### EBITDA (SAR millions)



### Net Profit (SAR millions)

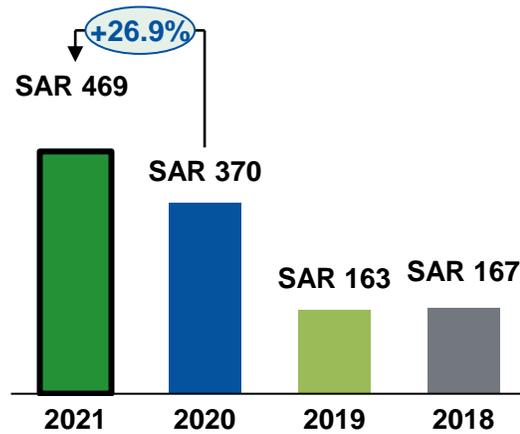


Commentary  
for FY 2021:

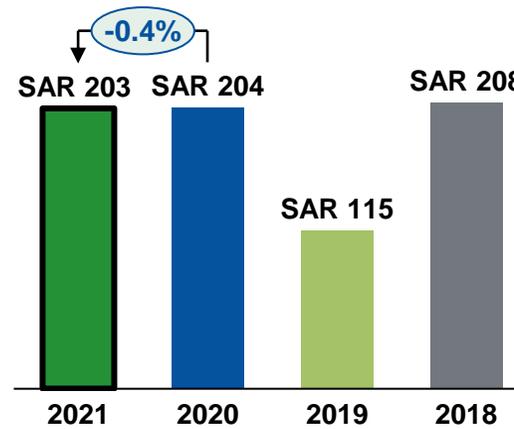
- **Steady increase in top line**, despite challenging market and operating conditions
- **Solid gross margins**, owed to evolving product portfolio across all categories
- **Stable overheads**, driven by prudent control on expenses and on-going cost reduction initiatives

# FINANCIAL PERFORMANCE – LIQUIDITY & LEVERAGE POSITION

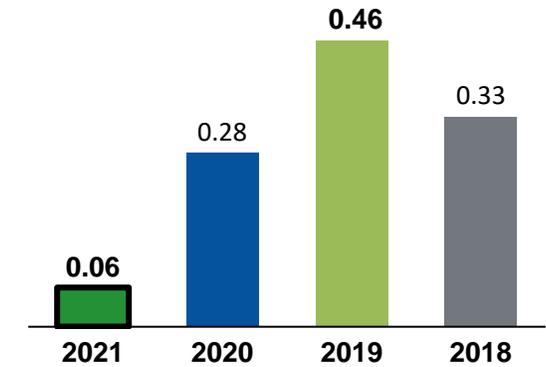
## Net Working Capital (SAR millions)



## Free Cash Flow (SAR millions)



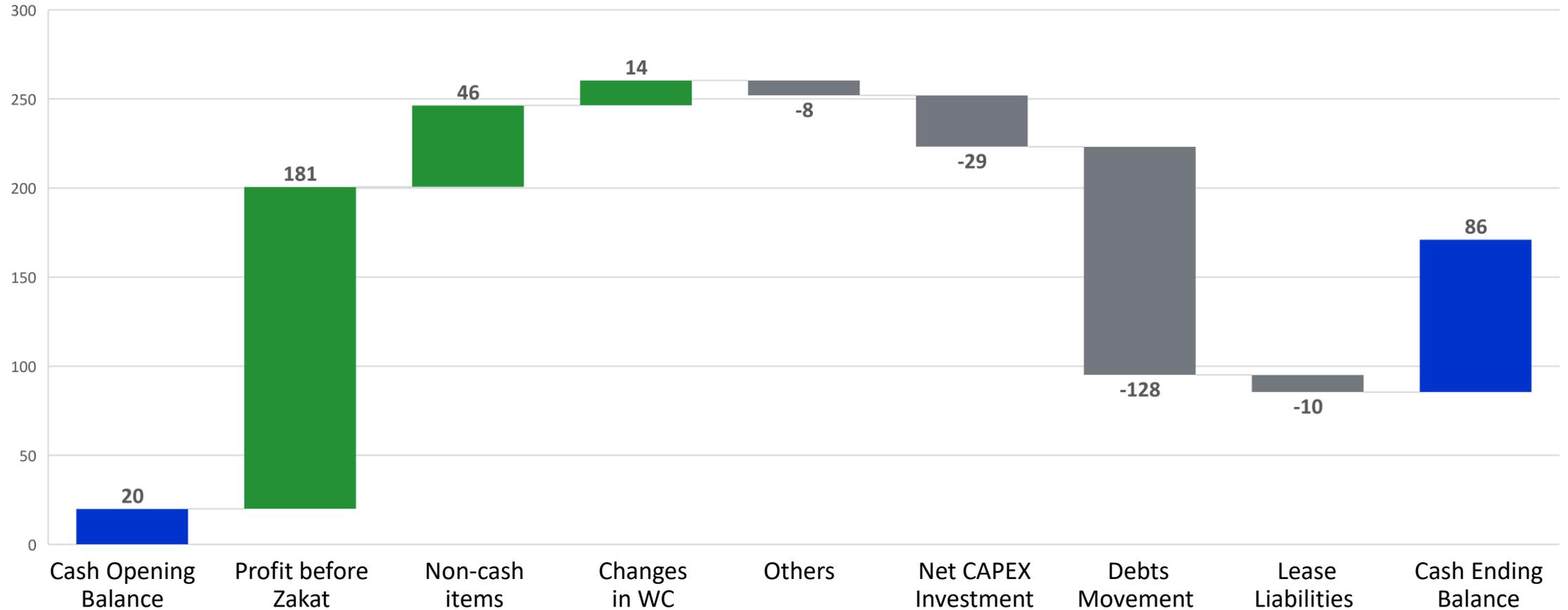
## Debt/Equity Ratio



### Commentary :

- **Efficient working capital management.** Significant improvement and efficient levels of working capital to support business needs and day to day operations
- **Prudent management of finances.** Company has maintained stable levels of FCF (Mean over 4-year period = SAR 183 million)
- **Low leverage position.** Company enjoys a low leverage position, ending the year 2021 with zero loans

# FY 2021 CASH FLOW



# 2021 KEY OPERATIONAL HIGHLIGHTS

- 1 As the pandemic related lockdown measures eased, we increased our sales reach to **21,700 customer outlets** by end of 2021
- 2 In response to emerging demand trends, we introduced **18 new products** in red & white meat, frozen fruits and vegetables, and ready meals
- 3 **Sustainability** drive by installing 3,500+ solar panels on Riyadh warehouse, saving 1,300 MT per annum in Co<sub>2</sub> emissions. It will generate c. 30% of onsite energy requirements.
- 4 Completed expansion of meat factory in Jeddah. **Expansion** increases total production by over 60% to 11,000 metric tons and doubles poultry production.



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# MARKET OUTLOOK AND STRATEGY

# CURRENT GLOBAL MARKET ENVIRONMENT - 2022

## 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

- 2022 inflationary environment is anticipated to accelerate with the ongoing situation in Ukraine creating greater cost inflationary pressures.
- We are carefully monitoring the impact inflationary pressures will have on our business, and in line with the rest of the F&B players, have already started to gradually pass through most of the cost increases to customers.
- However, we are focused on driving sustainable growth by capitalizing on favorable growth drivers underpinning the KSA F&B.

# KSA CONSUMER CONSUMPTION TRENDS

## Category

## Consumption Trends

### Red & White Meats

- Anticipated sales growth as poultry and seafood are perceived as a healthy food choice
- Increase number of fine dining restaurants in KSA drives greater demand for premium products

### Frozen Fruit & Vegetables

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

### Dairy

- Increase in demand for more premium and healthier dairy products
- Perceived as 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 within its five food categories with specific focus on shifting to higher growth and higher margin categories and sub-categories.

## Channel enhancement

Defending leadership position within the Retail channel in terms of market share across all categories and sub-categories, and further strengthen presence in Food Service channel.

## Expansion in manufacturing

Backward integration and increase local content. Expanding along the industry value chain through in-Kingdom manufacturing and partnering with local producers to distribute and co-pack their products.

## Third party logistics (3PL)

Grow 3PL business to generate additional revenue.



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THANK YOU