

المنرجم
ALMUNAJEM
Foods للأغذية



Earnings Presentation Q4 & FY 2023

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A woman with dark hair tied back, wearing a white long-sleeved shirt with floral embroidery and a green and white striped apron, is standing in a modern kitchen. She is using a wooden spreader to apply a white substance, likely butter or cream, onto slices of bread arranged on a small wooden stand. On the marble countertop in front of her is a jar of 'Sütaş' brand cream, its green lid, and a wooden tray with a stack of sliced bread. To her right, a plate of fresh vegetables (tomatoes, carrots, and leafy greens) sits on the counter. The kitchen features a brick backsplash with a green cloth and a colorful patterned sock hanging on it. A wooden shelf on the left holds jars of yellow corn. In the background, a stainless steel refrigerator and a built-in oven are visible. A large green plant is on the right side of the frame. Overlaid on the left side of the image is a green navigation menu with six white text buttons.

About AMF

Financial Highlights

Financial Performance

Market Outlook

Growth Factors

Question and Answer

Almunajem Foods Company

Continues to be one of the top Saudi food companies engaged in importing, marketing, distribution and production of leading brands of frozen, chilled and dry food items.



Flexible and asset light operating model



Diversified Portfolio



Wide Coverage



Experienced Management

DISTRIBUTOR OF KEY BRANDS

International Brands



Owned Brands



Financial Highlights FY' 2023



SOLID FINANCIAL RESULTS

Revenue
3,314M

Gross Profit 582M
Margin 17.6%

Net Profit 282M
Margin 8.5%

EPS 4.70



STRONG CASH FLOW GENERATION

Free Cash Flow
401M

FCF Conversion Rate
116%

WC to Sales
14%

ZERO DEBT



SHAREHOLDER VALUE CREATION

ROA 18.0%

ROE 30.4%

DPS 3.25

SAR 195M
Dividend Payout

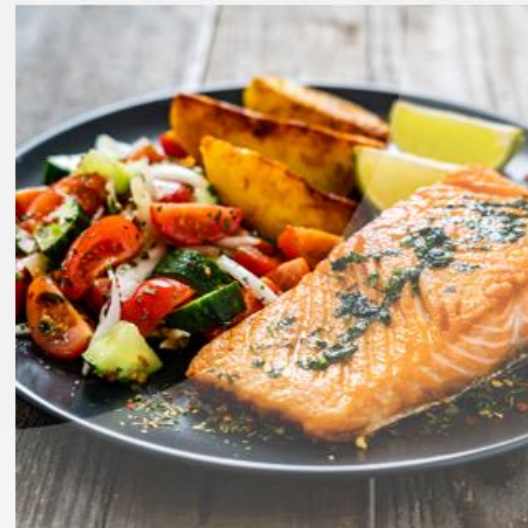
OUR RANKINGS IN TERMS OF MARKET SHARE (RETAIL)

Main Categories	Sub-Categories	Brands	Ranking	Market Share
Red & White Meat	Frozen Whole Chicken	Doux	1	34%
	Chicken Franks			25%
	Frozen Minced	Al Anam	1	21%
	Frozen Breasts	Dari	2	16%
		Doux	3	8%
	Chicken Strips	Doux	2	16%
Frozen Fruits & Vegetables	Fruits	Dari	1	43%
		Montana	2	34%
	Vegetables	Montana	2	17%
		Dari	3	10%
	Potato	Lamb Weston	1	26%
		Dari	4	8%
Olive & oils	Olives	Coopoliva	1	58%
Dairy	Mozzarella	President	2	24%
	Labneh		2	12%
Ready Meals	Frozen Meals	Dari	1	67%

NEW ENTRANTS

In Pipeline:

- As announced earlier, AMF will shortly be launching the chilled poultry range under DARI brand which will be co-packed through a local partner, Baladi Poultry.
- Moreover, and in line with the government initiative, AMF is planning to launch a full seafood portfolio of DARI brand. The idea is to introduce to our consumers a full healthy solution of seafood range that fits into divergent dish types and recipes.
- We are also closely analyzing new opportunities that we are planning to launch in 2024 in the ambient, chilled, and frozen categories; to be announced later.

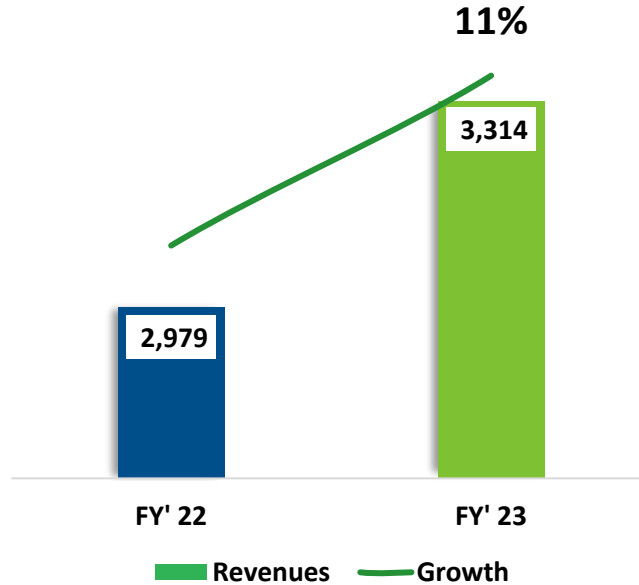


Financial Performance FY' 23 & Q4' 23

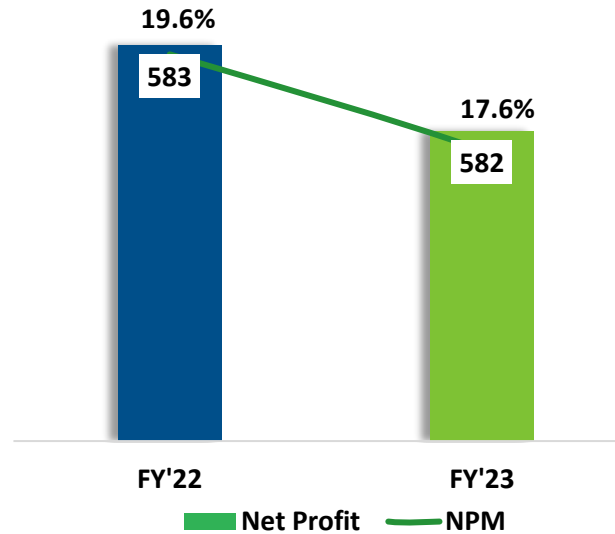


Financial Performance FY 2023 – Key Highlights

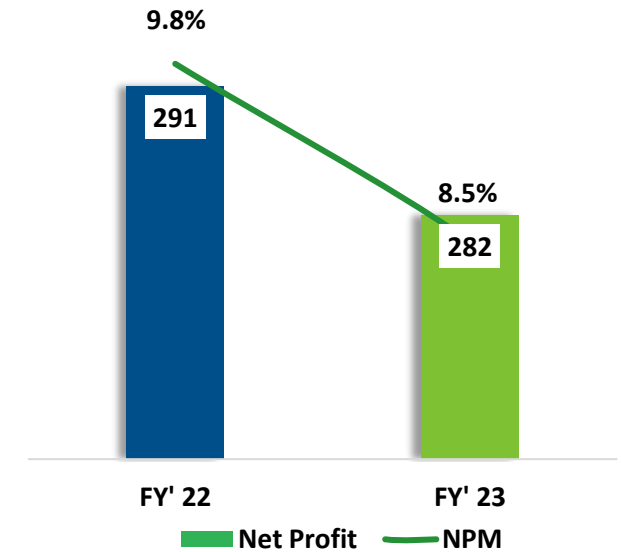
Revenue (SAR' M)



Gross Profit (SAR' M)



Net Profit (SAR' M)

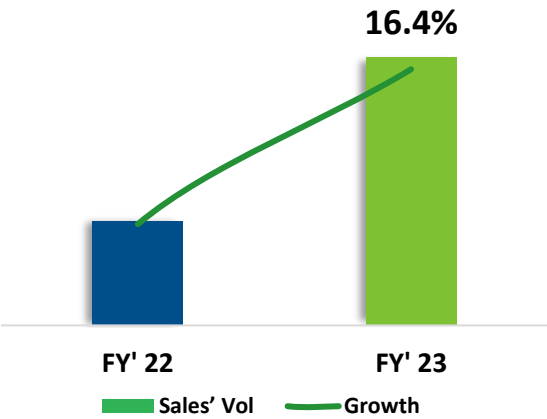


Commentary for
FY 2023:

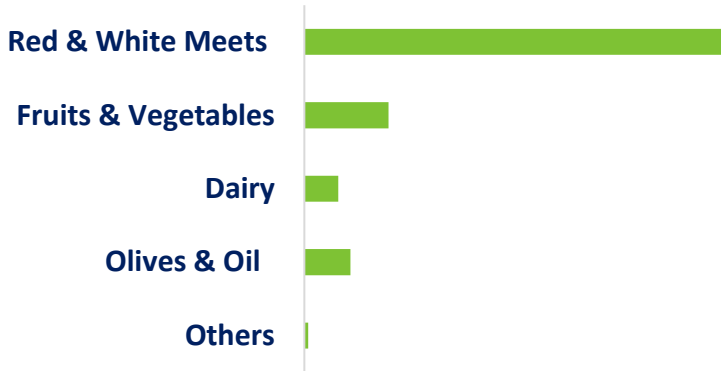
- ❖ Strong growth in revenue reaching 11% mainly due to increase in sales volume across the board.
- ❖ Solid and stable gross margins due to revenue growth and improved sales mix. Decrease in gross margins Vs. last year due to market pricing pressures.
- ❖ Effective control on overheads because of ongoing cost cutting initiatives.

Revenue (FY 2023) – Growth across the Board

Sales Volume - Growth



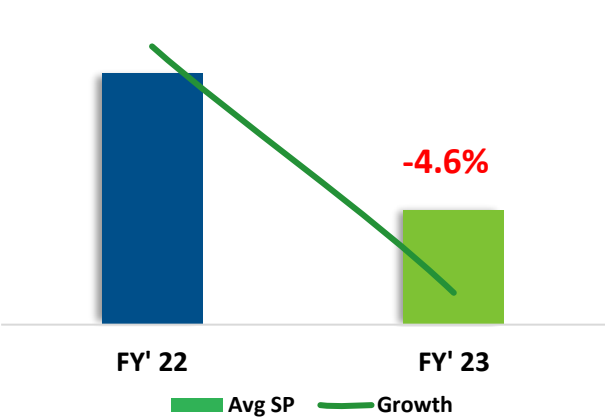
Sales’ Vol – Growth by Major Categories



Sales’ Vol – Growth by Channels

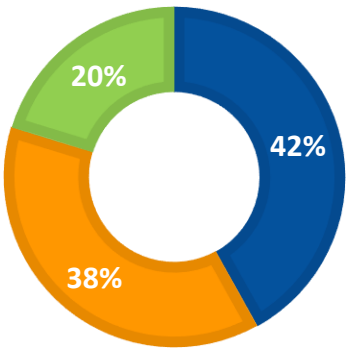


Avg SP - Change



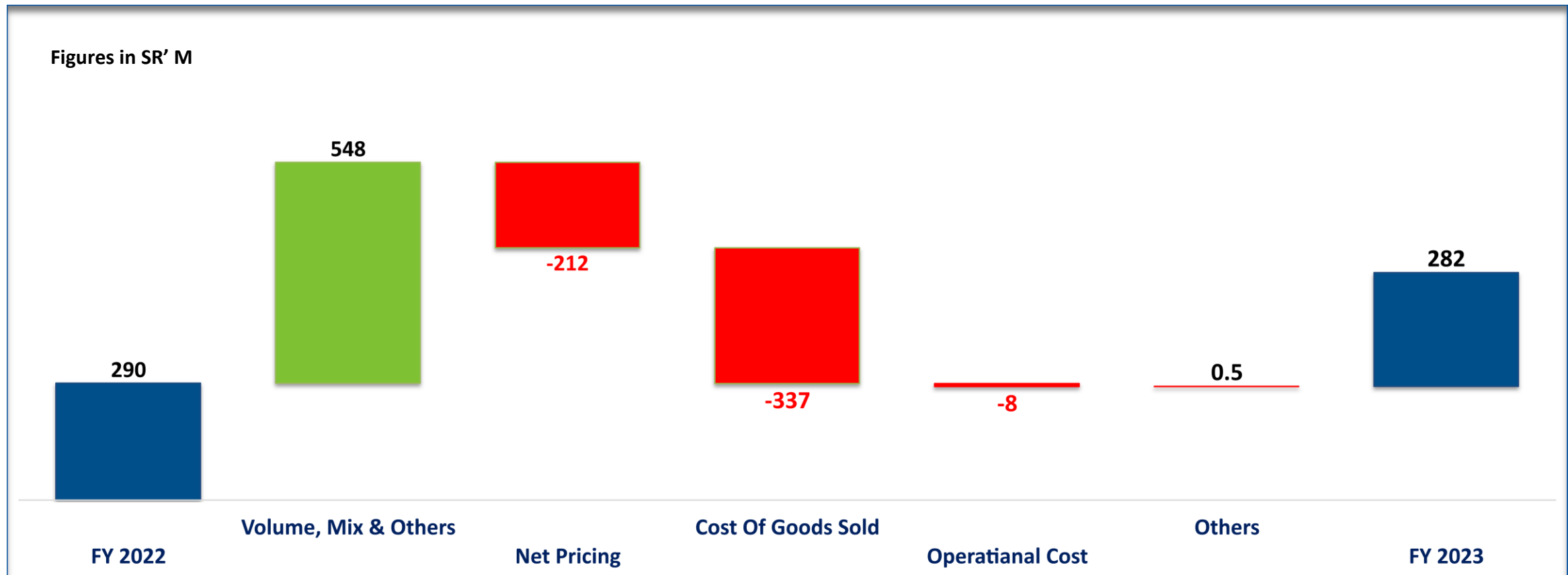
Region	Growth
Central	6.8%
Eastern & Northern	9.41%
Western & Southern	17.83%

CONTRIBUTION BY REGIONS



Central Western & Southern Eastern & Northern

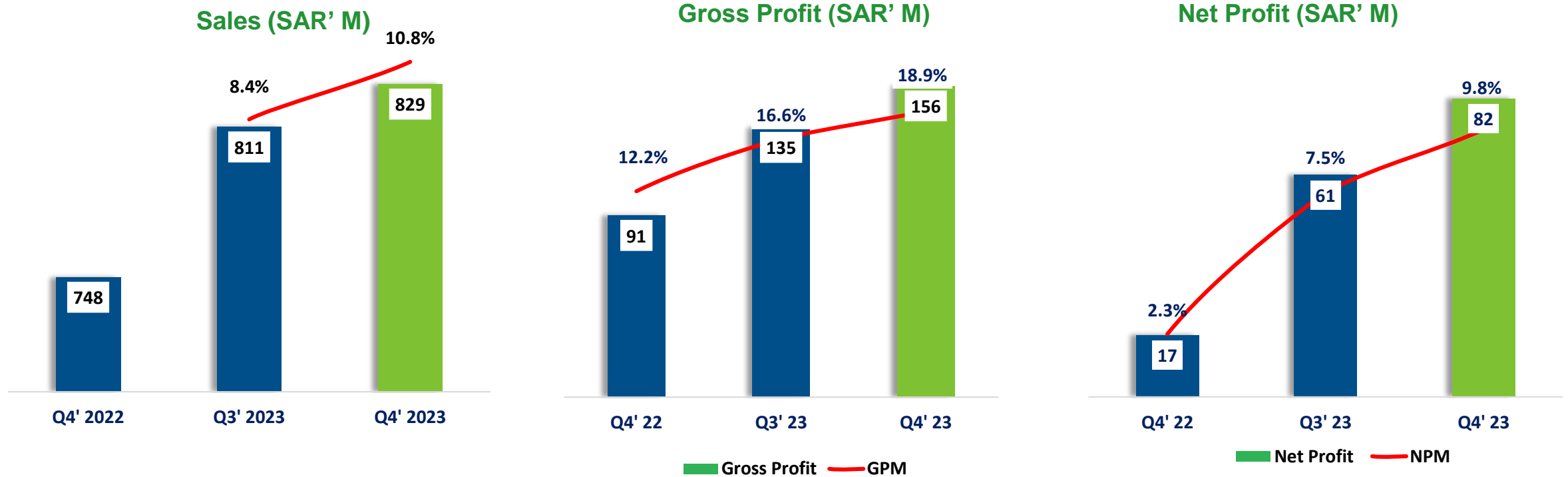
Net Income Bridge – FY 2023



❖ YTD 2023 net income lower Vs. last year mainly due to decrease in selling prices and slight increase in cost prices despite of strong growth in volumes

❖ Operating expenses under control and reduced from 9.4% of revenue to 8.7%

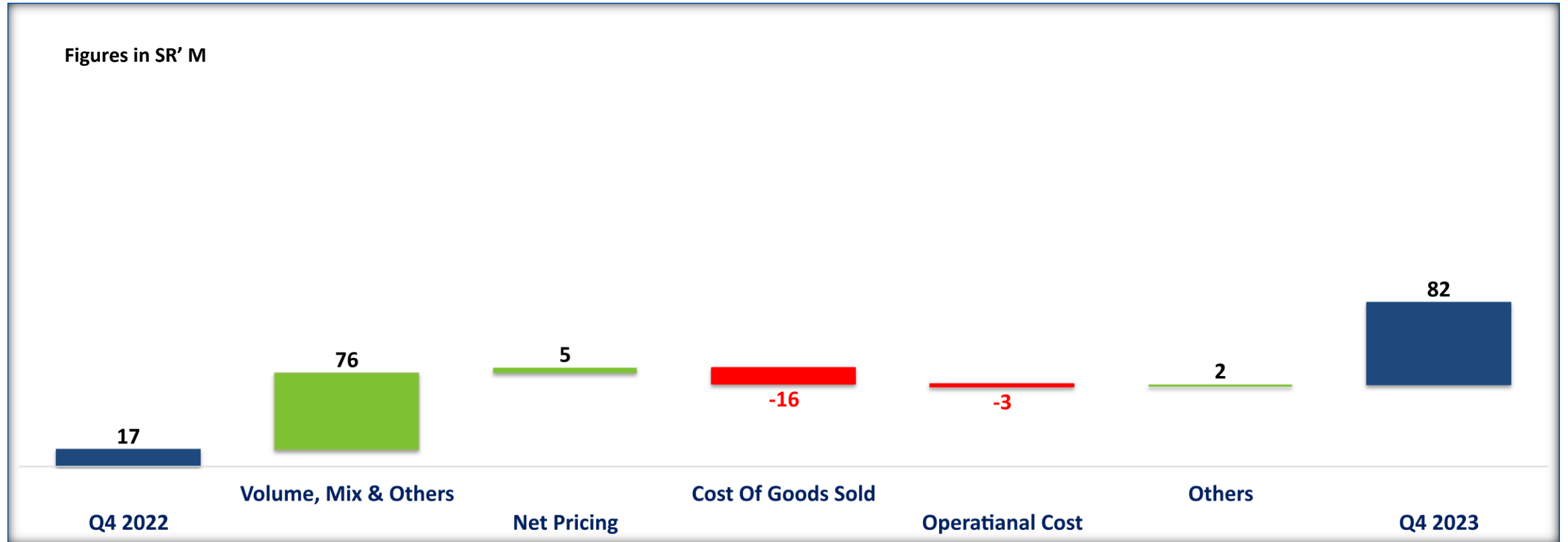
Financial Performance Q4 2023 – Key Highlights



Commentary
for Q4 2023:

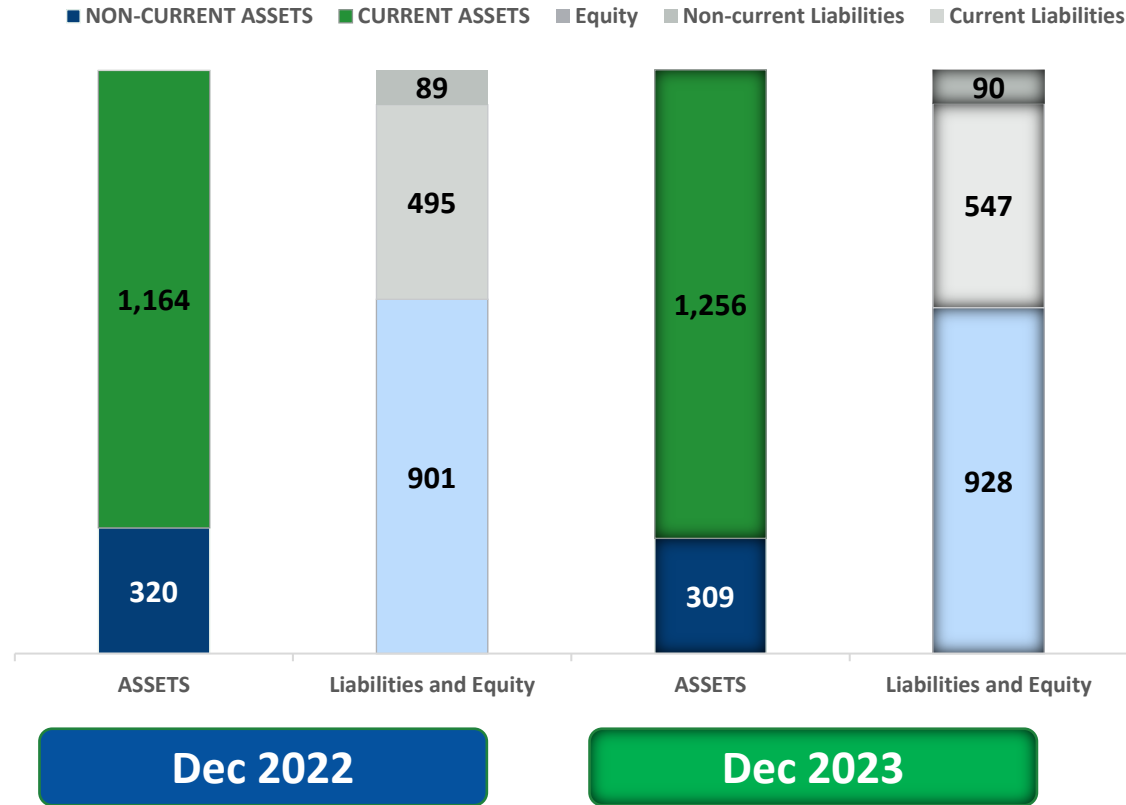
- ❖ Strong sales growth of almost 11% compared to Q4' 2022 and even higher than Q3 of 2023 by 2.3%. The growth is mainly attributed to higher volumes sold Vs. last year.
- ❖ Stable gross margins. Gross profit increased Vs. last year due to higher sales volumes and better sales mix.
- ❖ Net profits also higher than last year Q4 and this year Q3 because of improved gross margins and effective control on expenses.

Net Income Bridge – Q4 2023



- ❖ Q4' 2023 net income higher Vs. same period last year mainly because of strong volume growth and better pricing conditions.
- ❖ Operating expenses under control and reduced from 9.0% of revenue to 8.4%

Prudent Financial Management



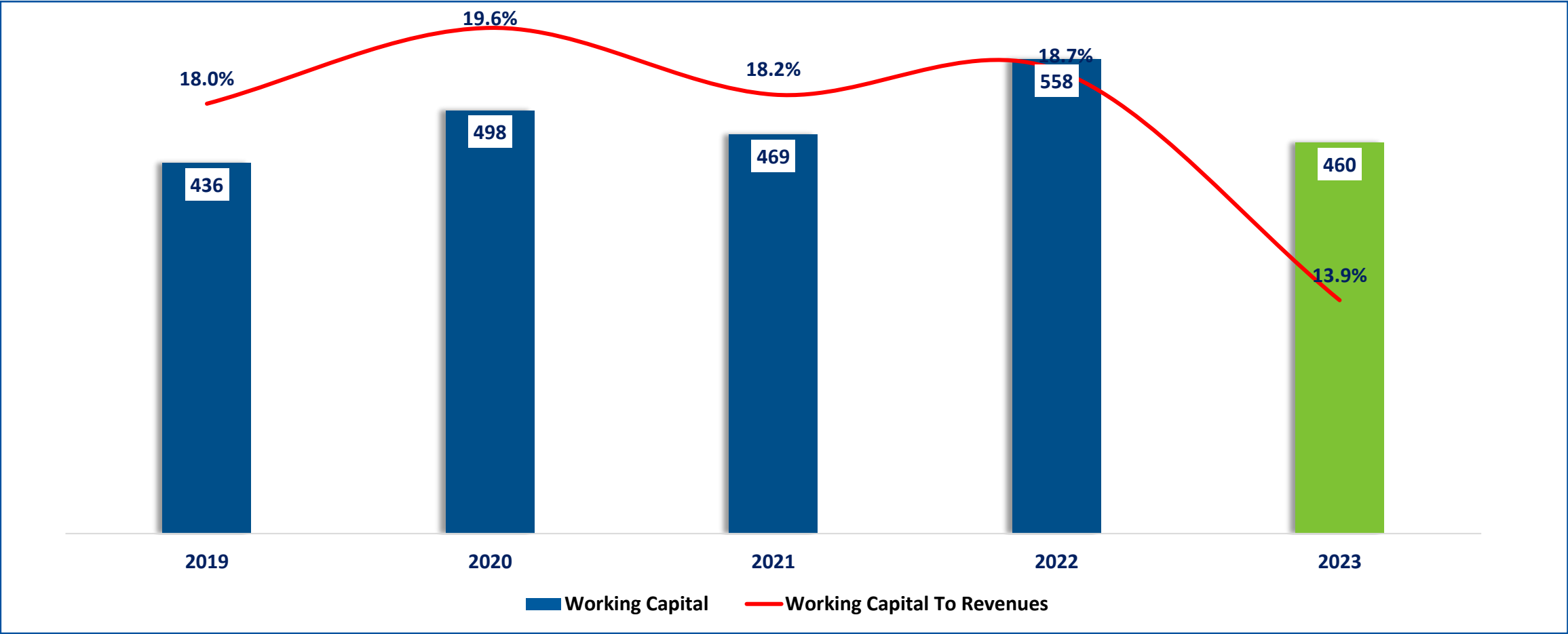
Ratio			Dec 2023	Dec 2022
Profitability	Return on Equity	%	30%	32%
	Return on Assets	%	18.0%	19.6%
Activity	Trade receivables	Days of Sales	28.4	32.3
	Inventory	Days of COS	75.7	100.4
	Trade payables	Days of COS	81.7	80.1
Solvency	Debt to Equity*		0.05	0.05
	Debt Ratio**		0.41	0.39
Liquidity	NWC-to-Sales	%	13.9%	18.7%
	Current Ratio		2.3	2.4

- ❖ **Efficient working capital management:** CCC improved compared last year due to improved DIO & DSO
- ❖ **Asset light operations:** Avg annual capex for last 3 years SAR 23M
- ❖ **Low leverage position.** Company enjoys a low leverage position, period ending FY' 23 with zero loans

*Debt to Equity: (total loans + Lease) / Equity

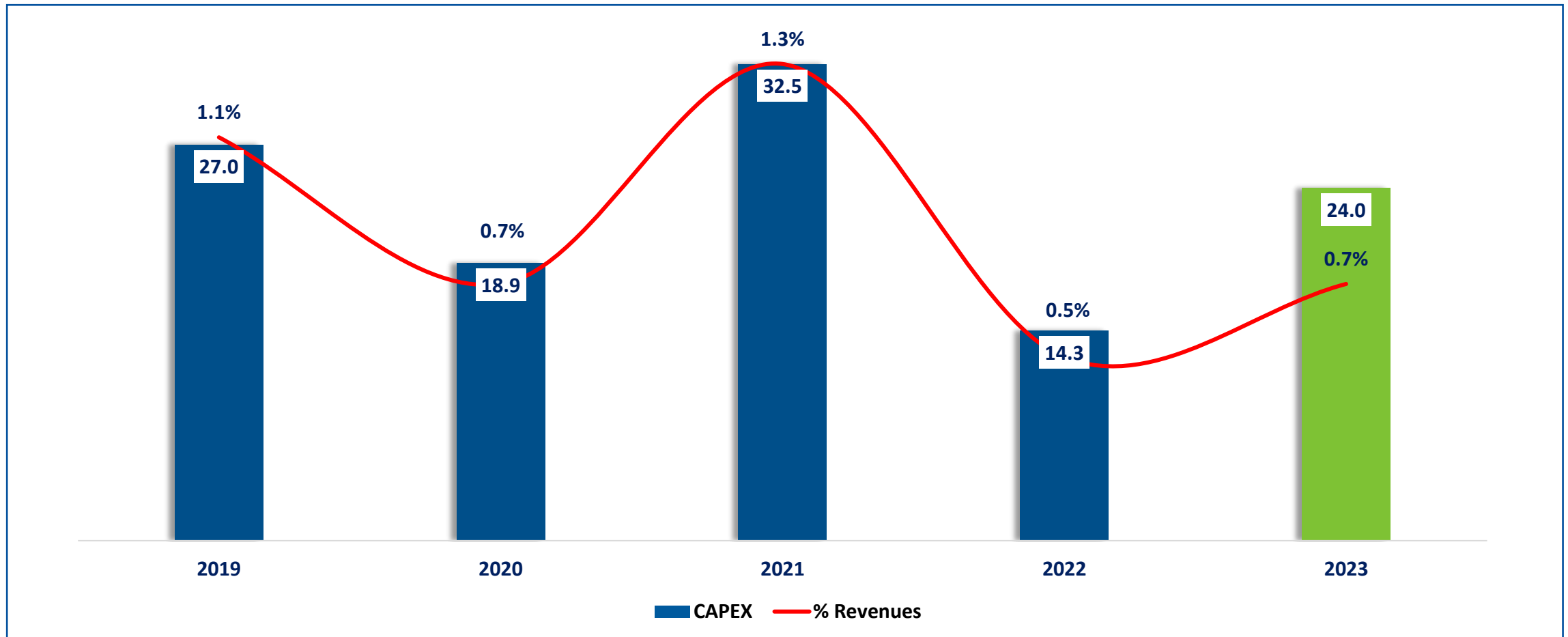
**Debt Ratio: Total Liabilities / Total Assets

Net Working Capital (2019 –2023)



❖ Efficiently managed Working Capital. The working capital to sales ration improved from 18.7% to 13.9% in 2023.

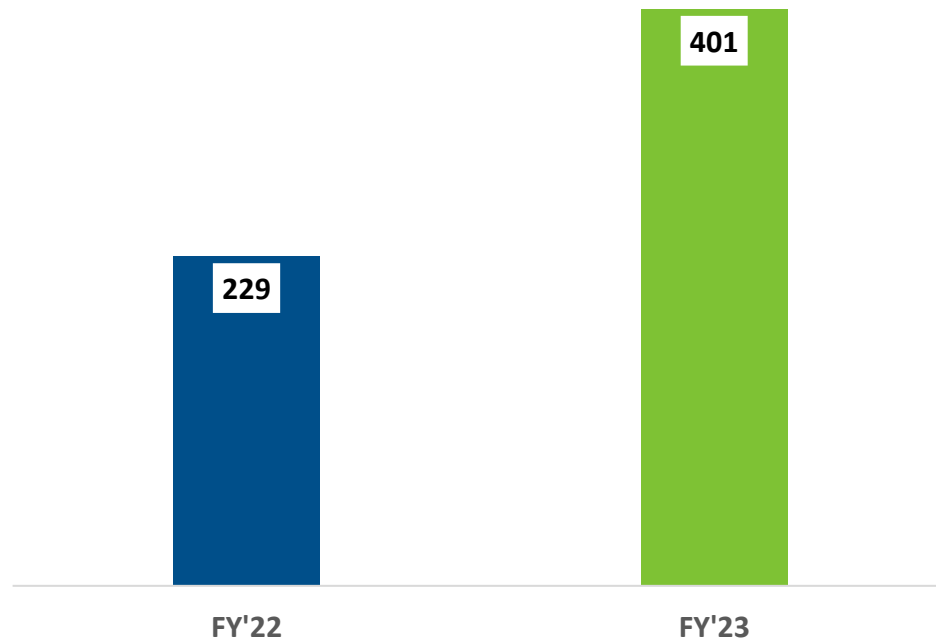
CAPEX (2019 –2023)



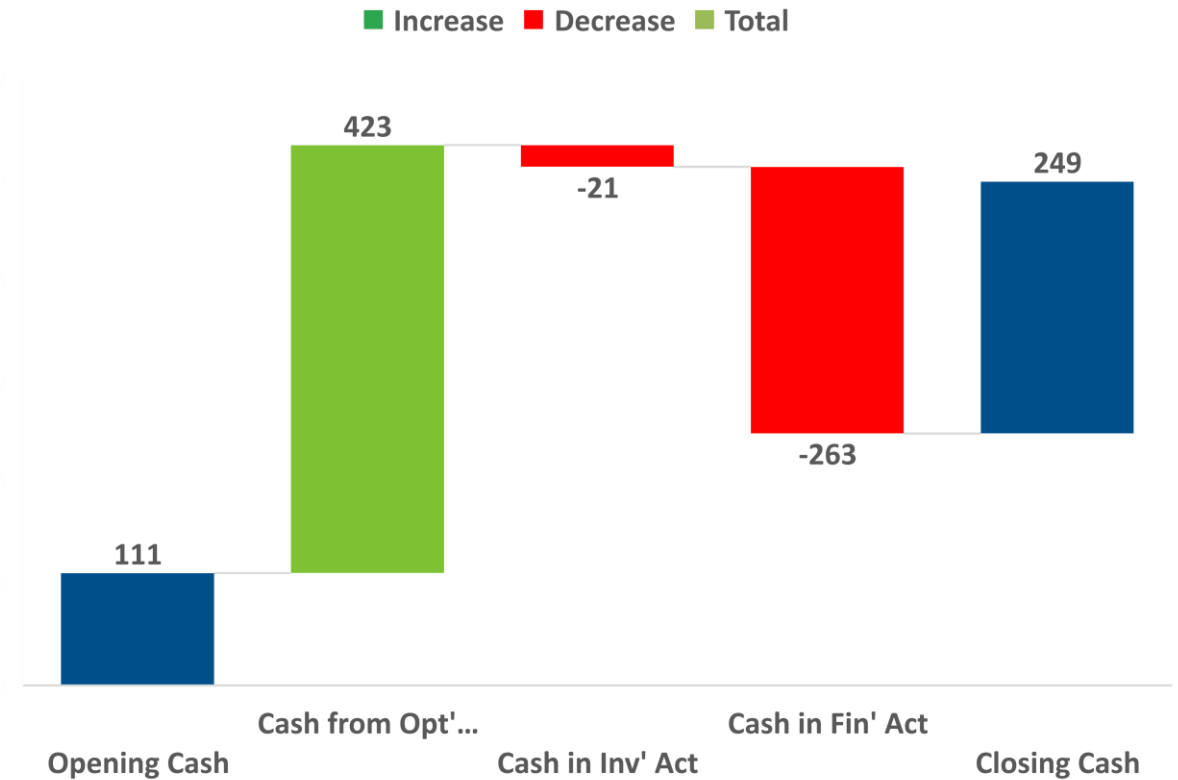
❖ Asset light model where 5Y average CAPEX – SAR 23M and ranges between 0.5% to 1.3% of revenue

CASH FLOW FY 2023

Free Cash Flow SR' M



Cash Flow Bridge - FY '23 SR' M



MARKET OUTLOOK



2024 GLOBAL MARKET ENVIRONMENT - EXPECTATION



Economic Outlook

- The forecasts of KSA economy are generally positive. The expectation for 2024 is that KSA economy would grow between 3% to 4%

Inflation

- Global headline inflation to fall to 5.8% in 2024 compared to 6.8 recorded for 2023
- Inflation in KSA to drop slightly to 2.1% in 2024

Operating Environment

- We are optimistic about the operating environment to remain promising during 2024. Although the year started by the unpleasant crisis in the region and the subsequent reflection on the sailing in the Red Sea. However, management is on top of the issue and making all efforts to make sure continuous supply of its products and to have minimal impacts on the operations and results of the organization.

We continue to monitor and navigate the environment leveraging our well-balanced business model and diversified operations to maintain and grow our strong position in the marketplace.

FUTURE GROWTH DRIVERS - UPDATE



FUTURE GROWTH DRIVERS – ON TRACK



Organic Growth

- Substantial increase in revenue due to growth across the board.
- Strategic focus on major cities in Western and Eastern Region that are witnessing high growth.
- Supported by Saudi Vision 2030 to increase number of pilgrims and tourist to 30M and 150M per annum, resp.



Portfolio Diversification

- Growing major categories from 13 to 18 and adding 15 new sub-categories. In the year 2023, AMF was able to launch a full assortment of Frozen Pastry Range. In addition, the company has extended its healthy range of superfoods by adding new items, with the likes of Cranberry, Spinach cubes, and others.
- Focus on shifting to higher growth and higher margins categories.



Channel Enhancement

- During the year, the Company has introduced a full range of premium Beef cuts, as a major step to grow further in Food Service especially in fine dine restaurants.
- The company has launched its B2B application and will continue to invest in this direction in order to grow up the contribution of the online sales channel.



Meat Factory & Local Content

- Planning to expand meat factory production capacity with additional +30K MT/annum reaching total capacity of +45K MT/annum and introducing new portfolio of items.
- Successfully acquired 17% shares of Balady Poultry Company in pursuit of our strategy to increase local content and secure supply.



Third Party Logistics (3PL)

- Grow 3PL business as separate revenue stream by capitalizing existing fully integrated state of the art logistics network.
- Recently initiated this strategic move whereby targeting to add +35K pallet positions, to be operated by qualified team members utilizing latest technology in a state-of-art warehouse facility in Riyadh.

QUESTION & ANSWERS

THANK YOU

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