

Q1 2024 Earnings Presentation

DISCLAIMER

This presentation has been prepared by Almunajem Foods Company (the "**Company**") and the content therein has not been reviewed or approved by any regulatory or supervisory authority. This presentation contains financial information regarding the businesses and assets of the Company. Certain financial and statistical information in this presentation has been subject to rounding off adjustments. Accordingly, the sum of certain data may not conform to the expressed total.

The information contained in this presentation may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its investments, including, among other things, the development of its business, financial condition, prospects, growth, strategies, as well as the trends in the industry and macroeconomic developments in Saudi Arabia. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and any changes in applicable laws or government policies. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur and past performance should not be taken as a guarantee of future results. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to update, supplement, amend or revise any such forward-looking statement. Except where otherwise indicated, the information and the opinions contained herein are provided as at the date of the presentation and are subject to change without notice. Past performance of the Company cannot be relied on as a guide to future performance. Nothing in this presentation is to be construed as a profit forecast. The information and opinions in this presentation are provided as at the date hereof and subject to change without notice. It is not the intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects.

Neither the Company nor any of its respective affiliates, advisors or representatives shall have any liability whatsoever for any direct or indirect loss whatsoever arising from any use of this document, or contents, or otherwise arising in connection with it. In giving this presentation, neither the Company nor any of its respective directors, officers, employees, agents, affiliates or advisors undertake any obligation to provide the recipient(s) with access to any additional information or to update the Information, including any data or forward-looking statements.

The CMA and the Saudi Exchange do not take any responsibility for the contents of this presentation, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this presentation.

This document does not constitute an offer or invitation to purchase any share or other security in the Company and neither it nor any part of it shall form the basis of, or be relied upon in connection with, any contract or commitment whatsoever. Before making any investment decision, an investor should consider whether such an investment is suitable for his particular purposes and should seek the relevant appropriate professional advice.

Today's Agenda :

- 1 About AMF
- 2 Financial Highlights
- 3 Financial Performance
- 4 Market Outlook
- 5 Operations & Growth Drivers
- 6 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 Q1' 2024



SOLID FINANCIAL RESULTS

Revenue
903 M

Gross Profit 196 M
Margin 21.7%

Net Profit 114 M
Margin 12.6%



STRONG CASH FLOW GENERATION

Operating Cash Flow
87 M

WC to Sales
13.7%

ZERO DEBT



SHAREHOLDER VALUE CREATION

ROA
26.7%

ROE
43.8%

EPS
1.9

NEW ENTRANTS

New products

New products added under our owned brand "Dari" are :

- Fresh Chicken
- Full range of Sea Food
- Acai



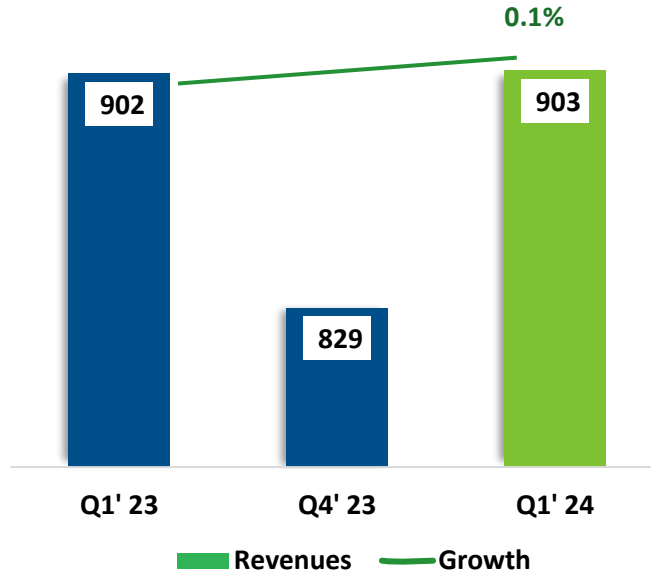
OUR RANKINGS IN TERMS OF MARKET SHARE (RETAIL)

Main Categories	Sub-Categories	Brands	Ranking	Market Share*
Red & White Meat	Frozen Whole Chicken	Doux	2	30.2%
	Chicken Franks		2	23.5%
	Frozen Minced	Al Anam	1	21.0%
	Frozen Breasts	Dari Doux	2 3	15% 8%
	Chicken Strips	Doux	2	16%
Frozen Fruits & Vegetables	Fruits	Dari	1	44.0%
		Montana	2	34.7%
	Vegetables	Montana	2	17.3%
		Dari	3	11.2%
	Potato	Lamb Weston Dari	1 4	26.5% 8.0%
Olive & oils	Olives	Coopoliva	1	58.1%
Dairy	Mozzarella	President	1	23.8%
	Labneh		2	12.6%
Ready Meals	Frozen Dinners	Dari	1	73.8%

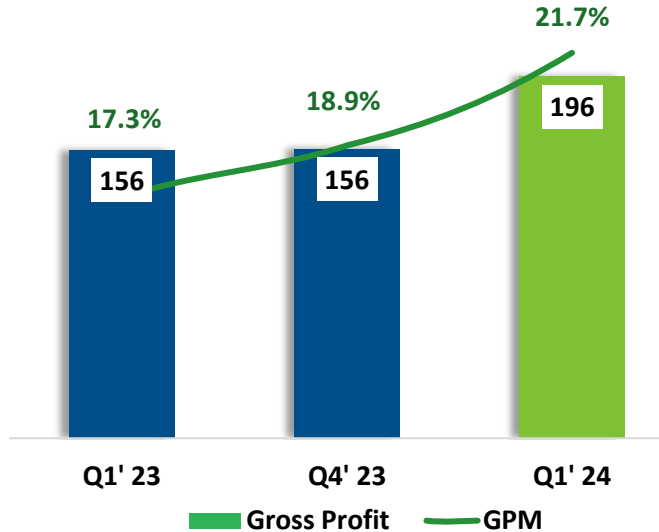
Financial Performance Q1' 24

Financial Performance Q1' 2024 – Key Highlights

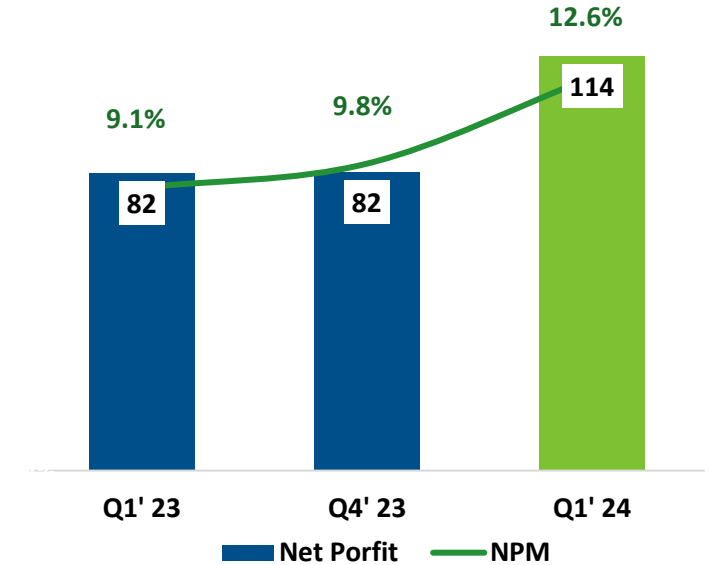
Revenue (SAR' M)



Gross Profit (SAR' M)



Net Profit (SAR' M)



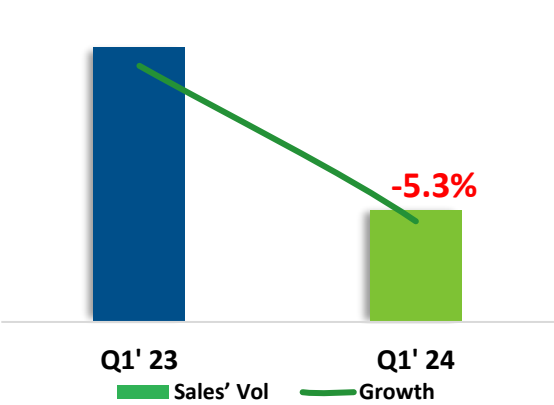
Commentary for
Q1 2024:

- ❖ Slight increase in revenue compared to Q1 of last year despite of red sea crisis.
- ❖ Noticeable increase in profitability mainly due to increase in gross margins of red & white meat, dairy and fruits & vegetables categories.
- ❖ Operating expenses well under control. Slight increase in expenses was mainly due to increase in marketing expenses related with Ramadan season.

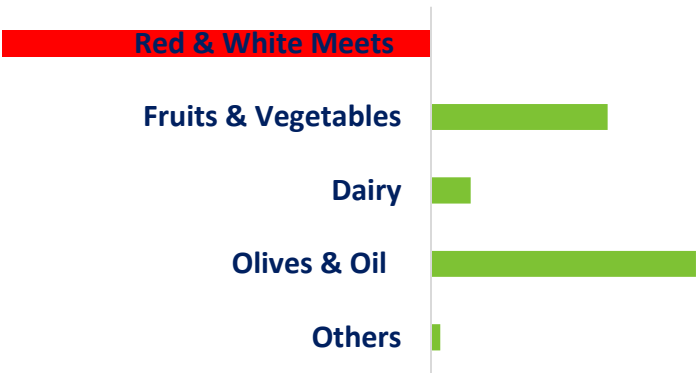
Revenue (Q1' 2024) – Analysis

Figures are compared to Q1' 23

Sales Volume - Growth



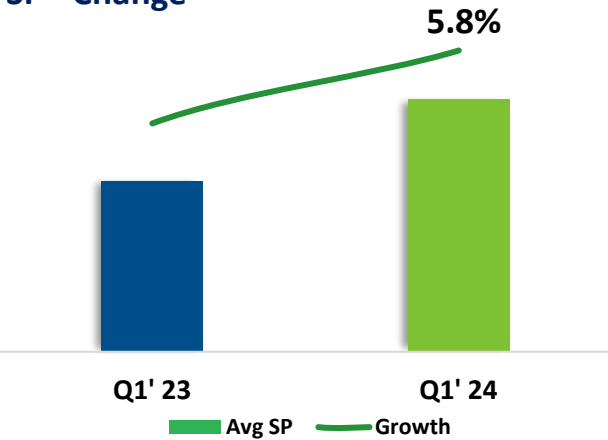
Sales' Value – Growth by Major Categories



Sales' Value – Growth by Channels

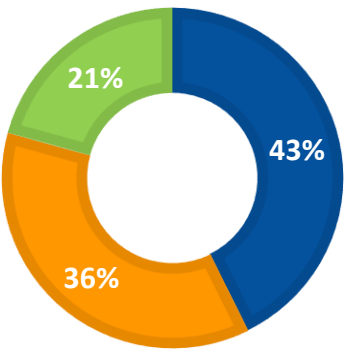


Avg SP - Change



Region	Growth
Central	1.0%
Eastern & Northern	-0.2%
Western & Southern	-0.7%

CONTRIBUTION BY REGIONS



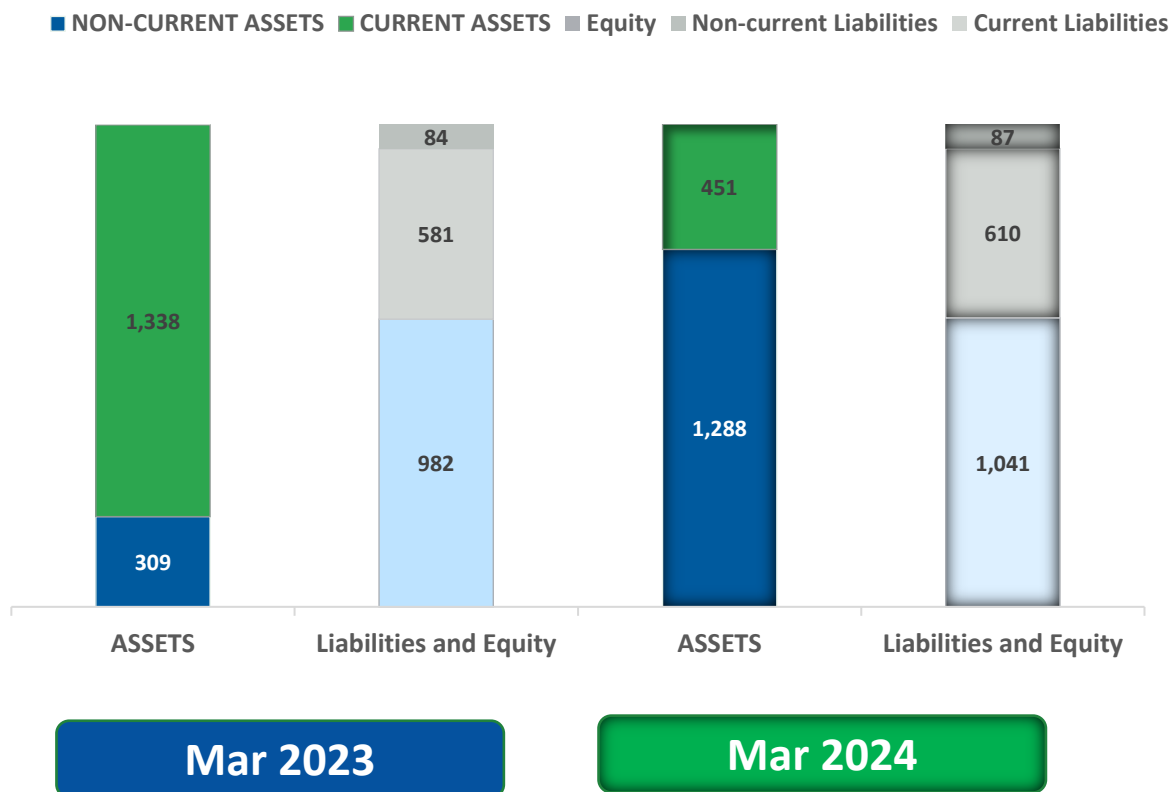
■ Central ■ Western & Southern ■ Eastern & Northern

Net Income Bridge – Q1' 2024



❖ Q1' 2024 net income higher Vs. same period last year due to increase in selling prices, despite of dip in sales volumes.

Prudent Financial Management



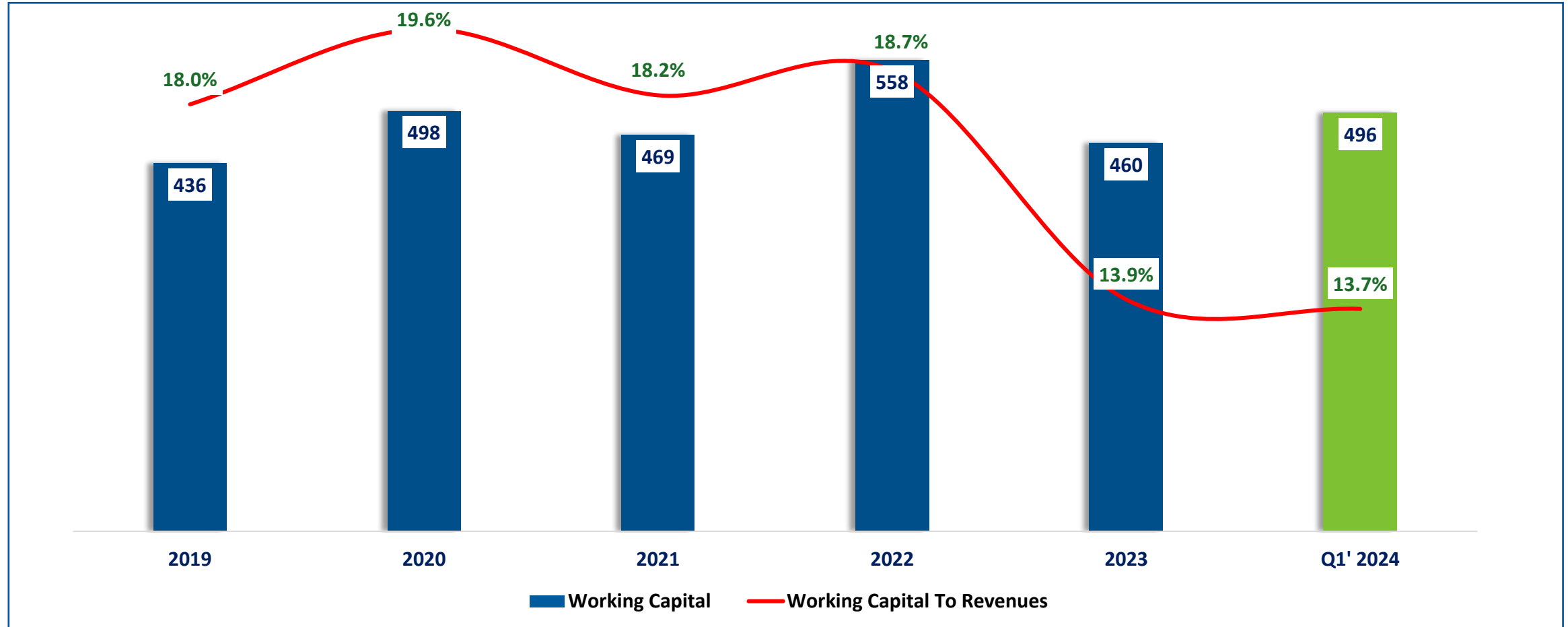
Ratio			Mar 2024	Mar 2023
Profitability	Return on Equity	%	43.8%	33.3%
	Return on Assets	%	26.7%	19.9%
Activity	Trade receivables	Days of Sales	35.2	39.1
	Inventory	Days of COS	67.7	63.5
	Trade payables	Days of COS	85.2	75.6
Solvency	Debt to Equity*		0.04	0.04
	Debt Ratio**		0.40	0.40
Liquidity	NWC-to-Sales	%	13.7%	15.1%
	Current Ratio		2.1	2.3

- ❖ **Efficient working capital management:** CCC improved compared last year due to improved DSO & DPO
- ❖ **Asset light operations:** Avg annual capex for last 3 years SAR 24M
- ❖ **Low leverage position.** Company enjoys a low leverage position, period ending Mar' 24 with zero loans

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

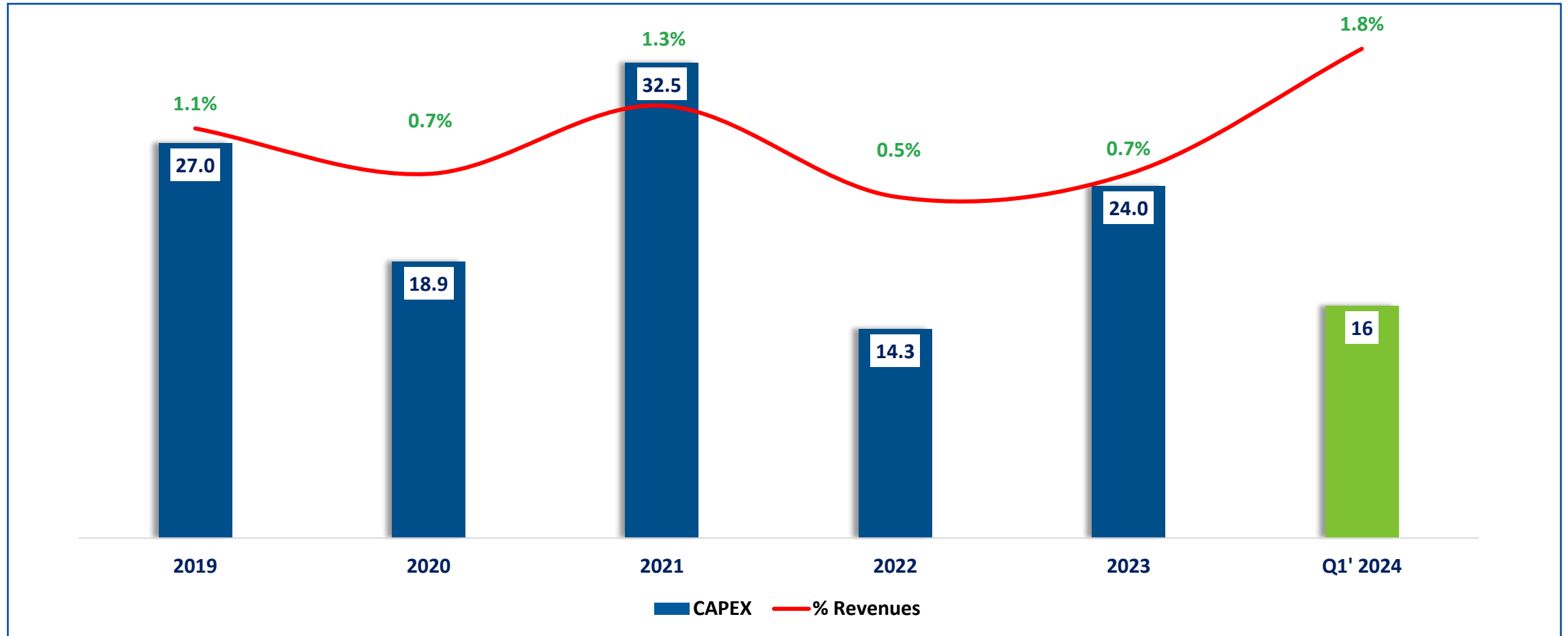
**Debt Ratio: Total Liabilities / Total Assets

Net Working Capital (2019 –Q1' 2024)



❖ Efficiently managed Working Capital. The working capital to sales ratio improved to 13.7%.

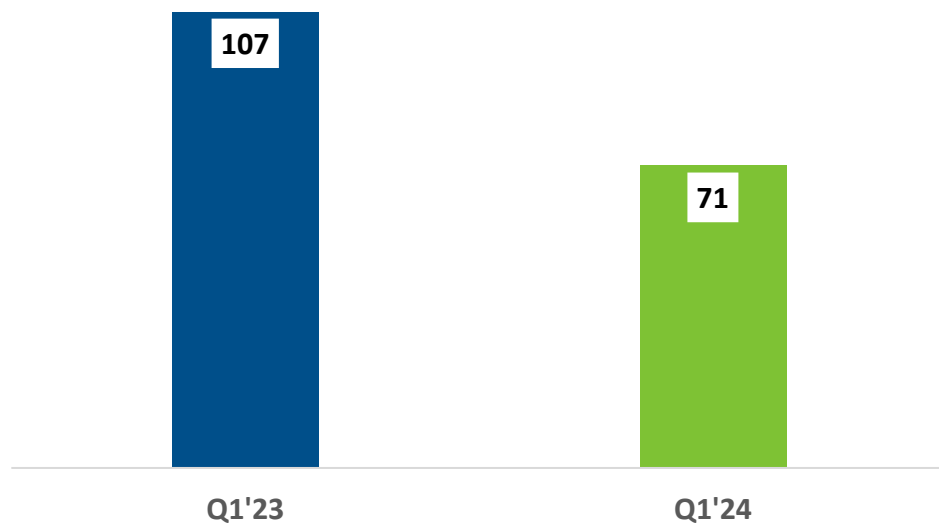
CAPEX (2019 – Q1' 2023)



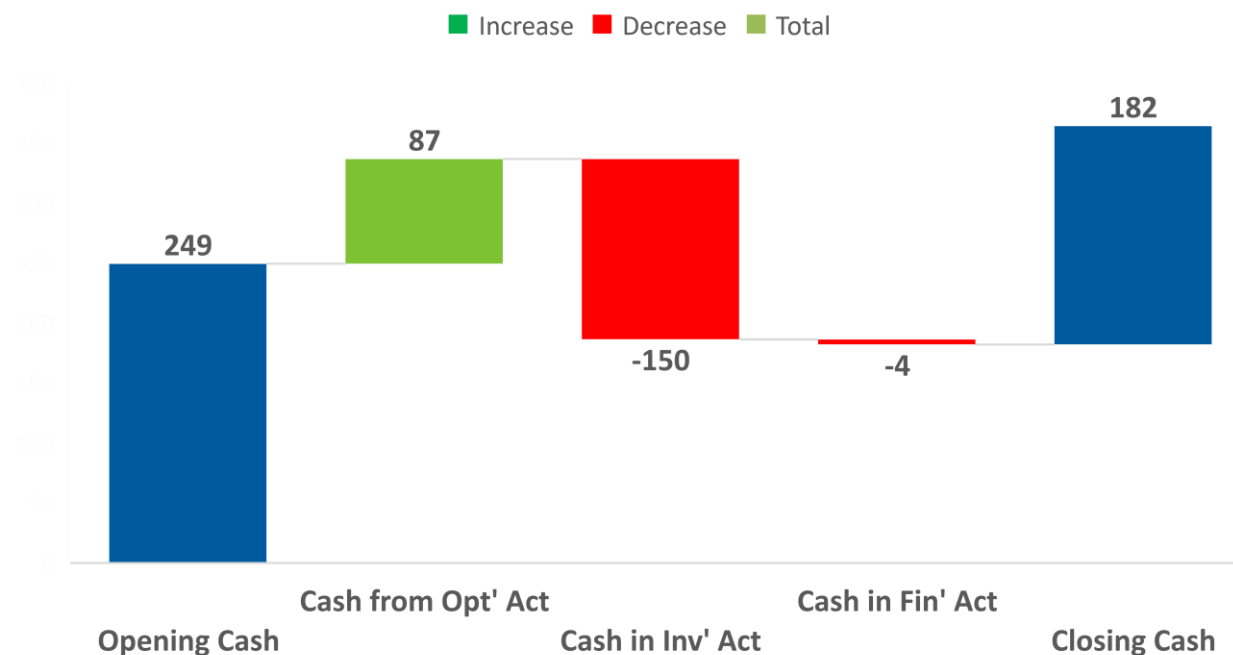
❖ 5Y average CAPEX – SAR 23M and ranges between 0.5% to 1.3% of revenue

CASH FLOW Q1' 2024

Free Cash Flow SR' M



Cash Flow Bridge - Q1' 24 SR' M



Note: FCF calculation excludes investment in associate.



المنجم
ALMUNAJEM
للأغذية Foods

MARKET OUTLOOK

2024 GLOBAL MARKET ENVIRONMENT - EXPECTATION



Economic Outlook

- Q1 2024 KSA real GDP dropped by 1.8% YOY however compared to Q4 2023 it increased by 1.9%.
- Oil activities were down 10.6% in the first quarter compared with the previous year, estimates from the General Authority for Statistics showed, while non-oil GDP grew 2.8% YOY and government activities increased by 2%.
- The forecasts of KSA economy are still positive. IMF cut its estimate for Saudi economic growth in 2024 to 2.6 percent in its most recent World Economic Outlook but raised its expectation for 2025 to 6 percent.

Inflation

- Global headline inflation to fall to 5.9% in 2024 as per IMF compared to 6.8 recorded for 2023
- Inflation in KSA to drops to 1.6% in Mar 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. There were some delays in supply of goods in Q1 which negatively affected the volumes. Since most of the shipments arrived after Ramadan Season, we anticipate an increased supply of goods, which might impact the market as well.



المنجم
ALMUNAJEM
للأغذية Foods

UPDATE ON:

- OPERATIONS
- GROWTH DRIVERS

OPERATIONS & GROWTH DRIVERS



Portfolio Diversification

- Launched the fresh poultry category in May 2024, with a fully separated and dedicated team
- Launching a diversified – selective range of SEA FOOD under Dari brand in retail (knowing that AMF has an ambitious plan to aggressively explore the sea food world among all channels)



Channel Enhancement

- Food Service: focusing on both ends. Upper end; with premium range in Meat and Dairy. Hiring professional staff to manage the expansion in different categories. Lower End; growing the fleet to be able to cover a wider customer scope.
- The Company launched its B2B application last year. We continue to invest in this direction to grow up the contribution of the online sales channel.



Meat Factory & Local Content

- BOD approves SR 157M CAPEX for expansion of meat factory with additional production capacity of around 35K MT/annum reaching total capacity of around 50K MT/annum.
- Successfully acquired 17% shares of Balady Poultry Company and signed binding SPA agreement for another 23% share stake of Balady in pursuit of our strategy to increase local content and secure supply.



Third Party Logistics (3PL)

- Management is working on the dedicated storage facility for the new 3PL operations which will be run by seasoned and competent team. Announcement with this regard will be made soon.



المنجم
ALMUNAJEM
للأغذية Foods

QUESTION & ANSWER

THANK YOU

CONTACT :

EMAIL : IR@almunajemfoods.com

WEBSITE : [Investor Relations - Almunajem Foods](#)