

Agthia Group PJSC



Corporate Presentation – June 2016



Forward-Looking Statements

Agthia Group PJSC and its management may make certain statements that constitute “forward-looking statements” with respect to the financial condition, results of operations and business of the Group. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as “anticipates,” “targets,” “expects,” “hopes,” “estimates,” “intends,” “plans,” “goals,” “believes,” “continues” and other similar expressions or future or conditional verbs such as “will,” “may,” “might,” “should,” “would” and “could.” Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Agthia Group PJSC to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Examples of such statements include, but are not limited to, comments with respect to: 1. outlook for the markets for products; 2. expectations regarding future product pricing; 3. outlook for operations; 4. expectations regarding production capacity and volumes; 5. objectives; 6. strategies to achieve those objectives; 7. expected financial results; 8. sensitivity to changes in product prices; 9. sensitivity to key input prices; 10. sensitivity to changes in foreign exchange rates; 11. expectations regarding income tax rates; 12. expectations regarding compliance with environmental regulations; 13. expectations regarding contingent liabilities and guarantees; 14. expectations regarding the amount, timing and benefits of capital investments. Although Agthia Group PJSC believes it has a reasonable basis for making these forward-looking statements, readers are cautioned not to place undue reliance on such forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predictions, forecasts and other forward-looking statements will not occur. These factors include, but are not limited to: 1. assumptions in connection with the economic and financial conditions in the UAE, Middle East, and globally; 2. effects of competition and product pricing pressures; 3. effects of variations in the price and availability of manufacturing inputs; 4. various events which could disrupt operations, including natural events and ongoing relations with employees; 5. impact of changes to or non-compliance with environmental regulations; 6. impact of any product liability claims in excess of insurance coverage; 7. impact of future outcome of certain tax exposures; 8. effects of currency exposures and exchange rate fluctuations. The above list of important factors affecting forward-looking information is not exhaustive. Additional factors are noted elsewhere and reference should be made to the other risks discussed in filings with UAE securities regulatory authorities. Except as required by applicable law, Agthia Group PJSC does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by or on behalf of the Company, whether as a result of new information, future events or otherwise, or to publicly update or revise the above list of factors affecting this information.





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Agthia at a Glance

Abu Dhabi based food & beverage company

with operations in 4 countries and products in more than 20 countries

Listed on Abu Dhabi Stock Exchange since 2005

Semi-government company, 44% in free-float

AED 1.9 billion in revenues; AED 0.23 billion net profit

Consistent double-digit revenue and profit growth

15 brands in 7 F&B categories

5 core categories: Water, Juice, Dairy, Flour, Feed
#1 in Water, Flour, Feed in the UAE

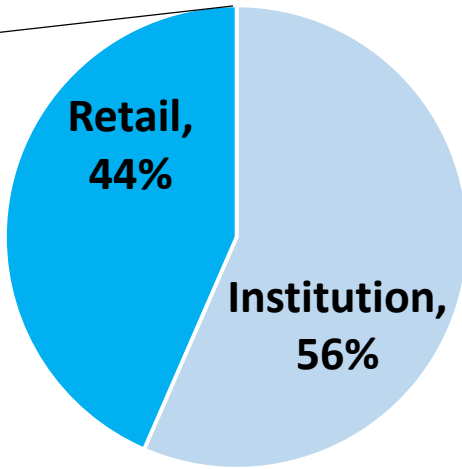
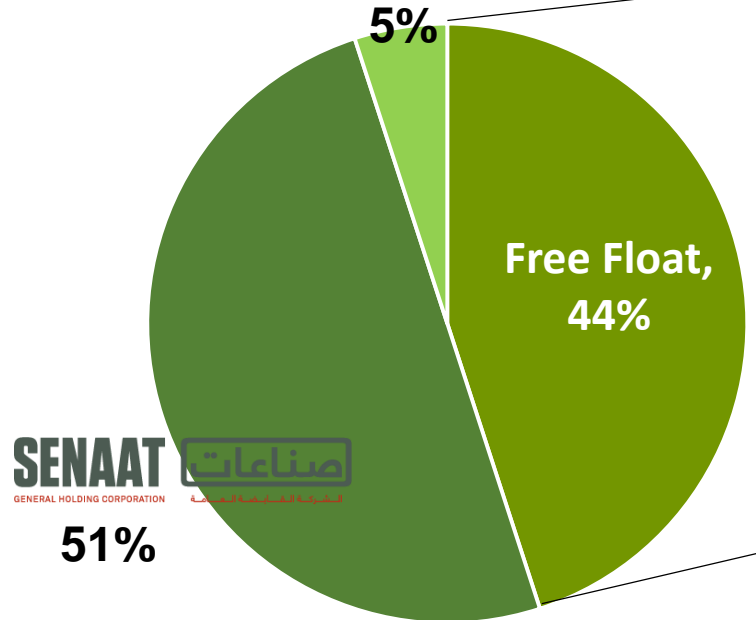
3,500 employees

In 6 production sites and 8 warehouses in the UAE, Oman, Turkey, Egypt



Shareholding Structure


 صندوق معاشات ومكافآت التقاعد لإمارة أبوظبي
 Abu Dhabi Retirement Pensions & Benefits Fund

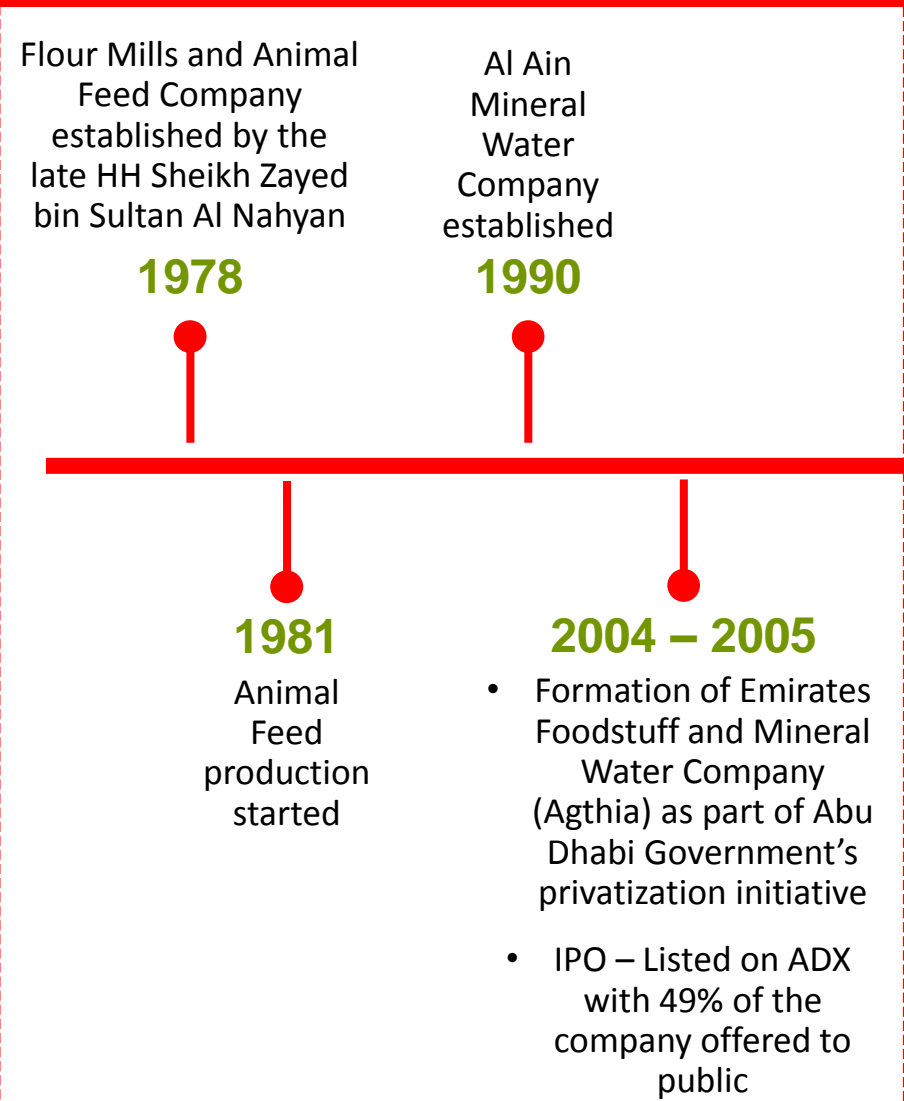


<u># of Shares</u>	<u># of Investors</u>	<u># of Shares Owned</u>	<u>% of Ownership</u>
< 50k	72,804	101,867,464	16.98%
50k to 500k	156	26,745,458	4.46%
501k to 5m	44	64,060,222	10.68%
> 5m	6	407,326,856	67.89%
Total	73,010	600,000,000	100.00%



Milestones – Before IPO

A Government-owned and managed company



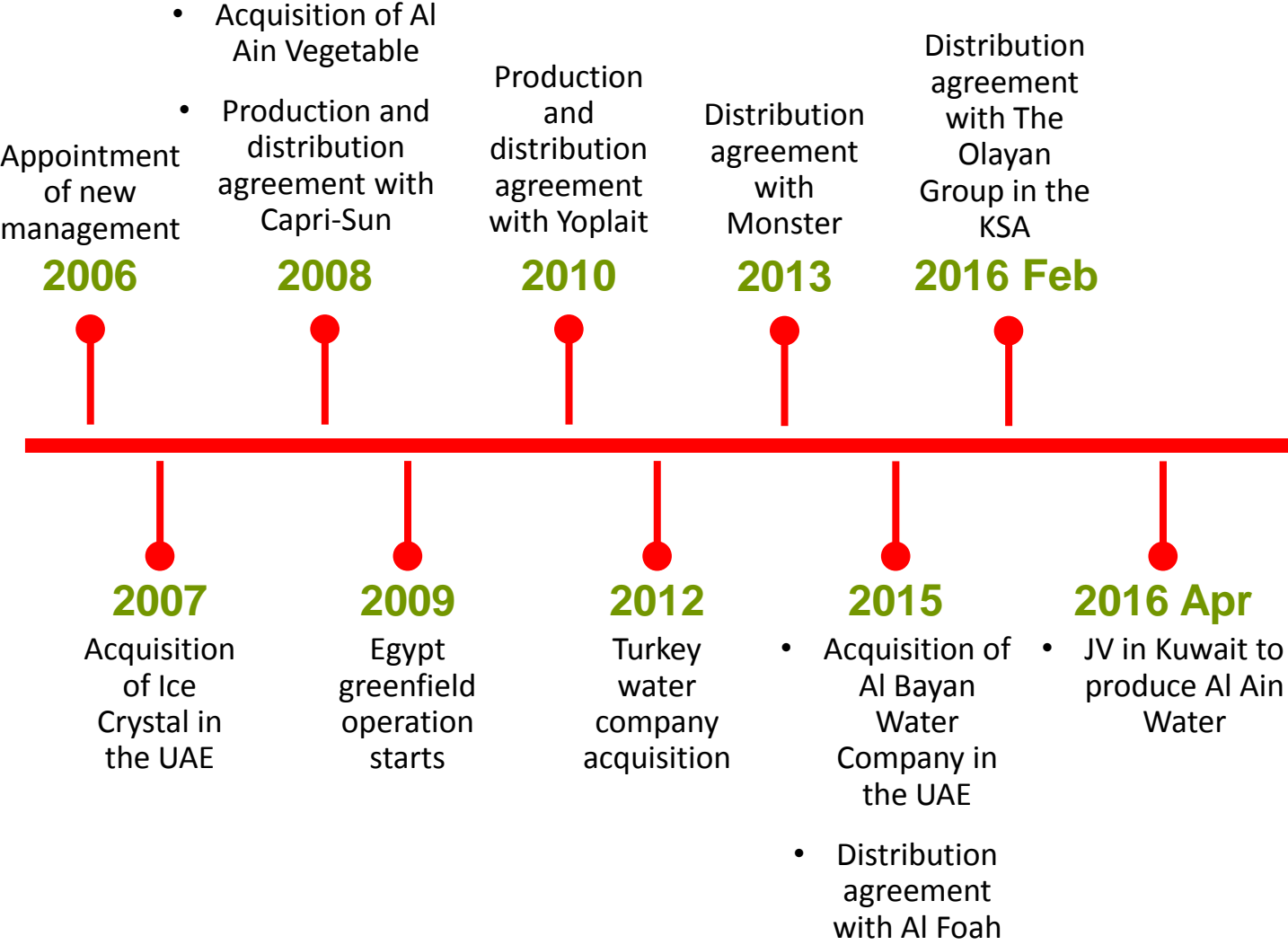
- Unclear strategy
- Low/flat growth
- Very high working capital
- Unclear organization
- Low productivity
- Inefficient systems and processes

*FY 2006
AED*

• Revenues	434m
• Net Profit	29m
• Total Assets	823m
• Market Cap	780m
• ROA	3.7%
• ROE	4.2%
• WC to NS	46%



Milestones – Post IPO



- Category leadership
- Diversified – Category and Geography
- M&As
- Corporate governance
- Organization “Fit for Growth”

<i>FY 2015 AED Change vs. 2006</i>			
• Revenues	1.9b		4.3x
• Net Profit	0.2b		7.9x
• Total Assets	2.4b		2.9x
• Market Cap	4.6b		6.1x
• ROA	10.1%		2.7x
• ROE	14.9%		3.5x
• WC to NS	25%		0.5x



Business Portfolio

CONSUMER BUSINESS

- 12 brands
- Increasing share of business (from 17% in 2006)
- 47 million cases of bottled water shipments
- Operations in UAE, Turkey, Oman, Egypt



FOOD

6%

WATER & BEVERAGES

35%



AGRI BUSINESS

- 2 brands
- ~1m tons of shipments
- Production in the UAE
- Exports to GCC, Yemen, Somalia
- ~100k tons of trading business

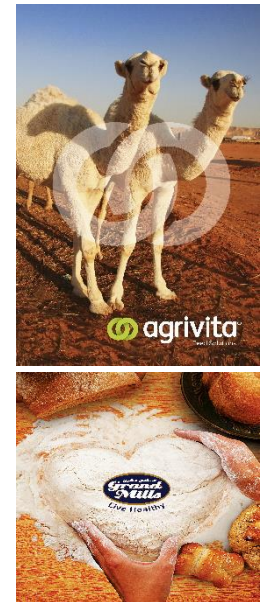


FEED

36%

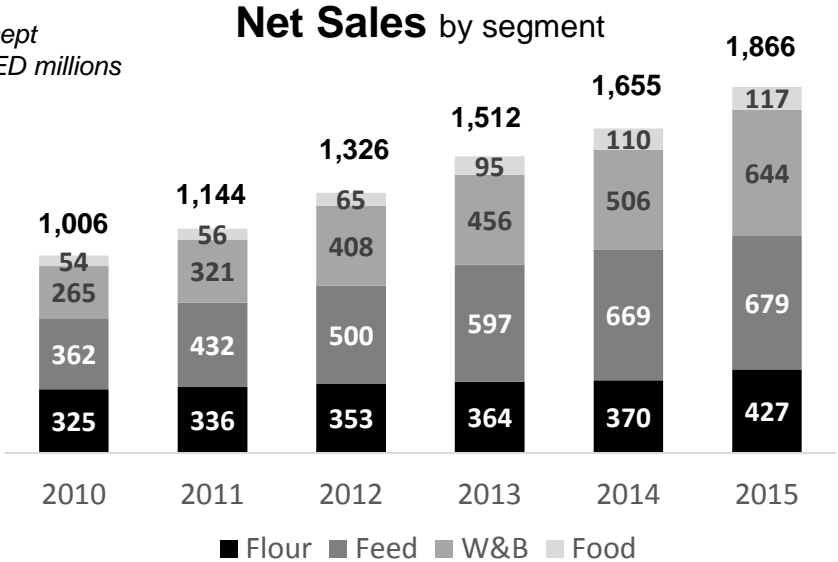
FLOUR

23%

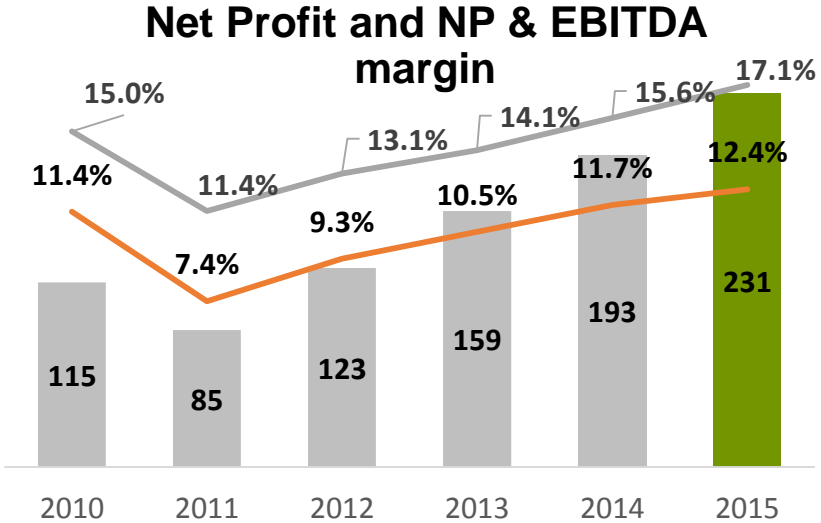
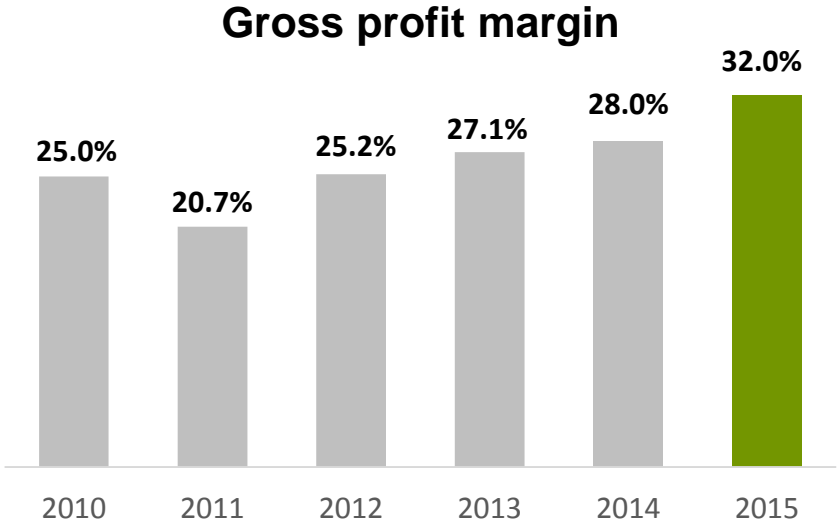


Healthy Growth

All figures except margins in AED millions



- Net sales 13% CAGR, driven by consumer business
- Consistent and strong gross profit margin growth
- Net profit 15% CAGR, outpacing revenue growth



Strong Balance Sheet

AED in Billions

Total Assets 2.37

Total Equity 1.55

Cash & Bank 0.56

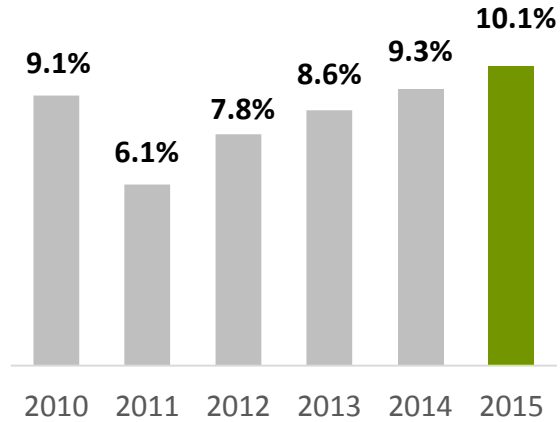
Borrowings 0.45

Net Cash 0.11

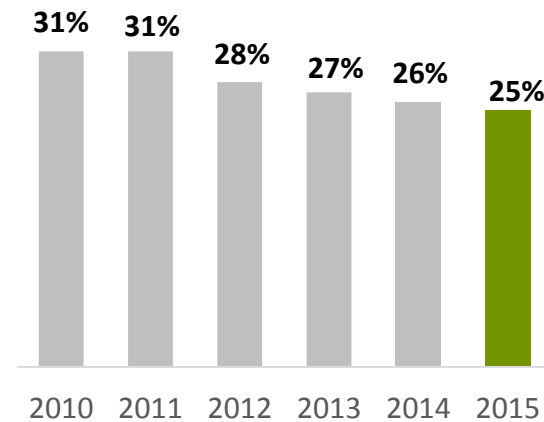
Avg. Working Capital 0.47

Ratio to NS 25%

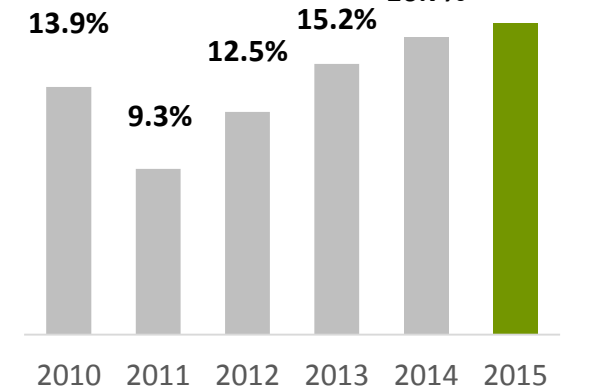
Return on Assets



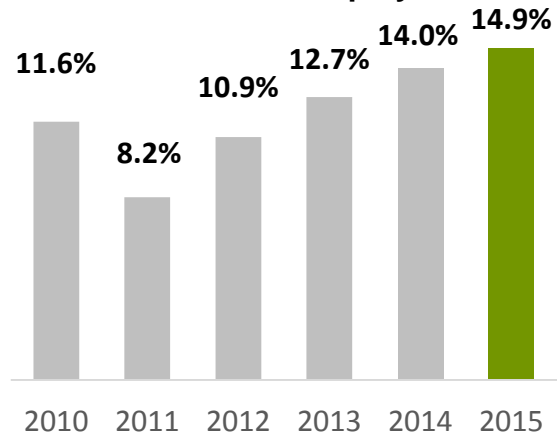
Working Capital Ratio to NS



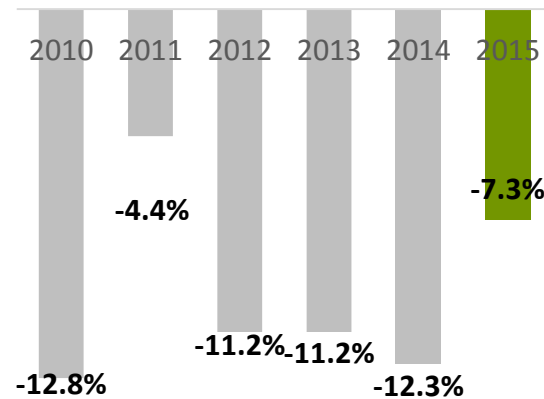
Return on Net Capital Employed



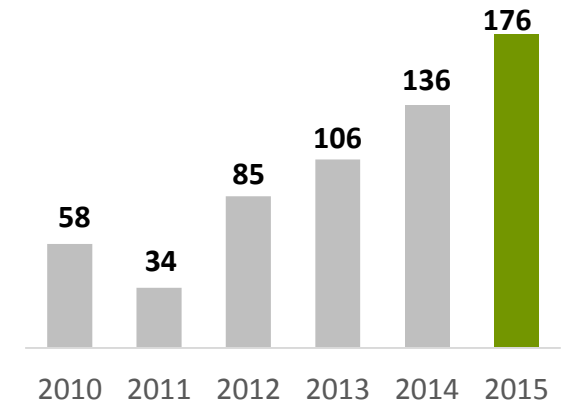
Return on Equity



Net Debt to Equity Ratio



EVA – AED Millions



ADX (Market) Performance

✓ Market cap as at Dec 31st
2015 AED 4.6 billion (AED
7.67/share)

✓ 24% increase versus year-end
2014, ADX General -5%

✓ Constituent of FTSE Global Equity
Index Series – Mid Cap and FTSE
All-World since September 2015



Production Capacity and Utilization

	Current Capacity	Utilization %		Current Capacity	Utilization %
Bottled Water-UAE (Cases)	74m	80%	Flour-UAE (Tons)	315k	91%
5-Gallon Water-UAE/Oman (Bottles)	36m	73%	Feed-UAE (Tons)	608k	94%
Bottled Water-TR (Cases)	6.2m	63%	Dairy-UAE (Tons)	16k	23%
5-Gallon Water-TR (Bottles)	6m	16%	Tomato Paste-EGY (Tons)	18k	97%
Capri-Sun (Cases)	3.9m	63%	Frozen Baked-UAE (Tons)	8k	24%
			Frozen Veg-UAE (Tons)	10k	47%



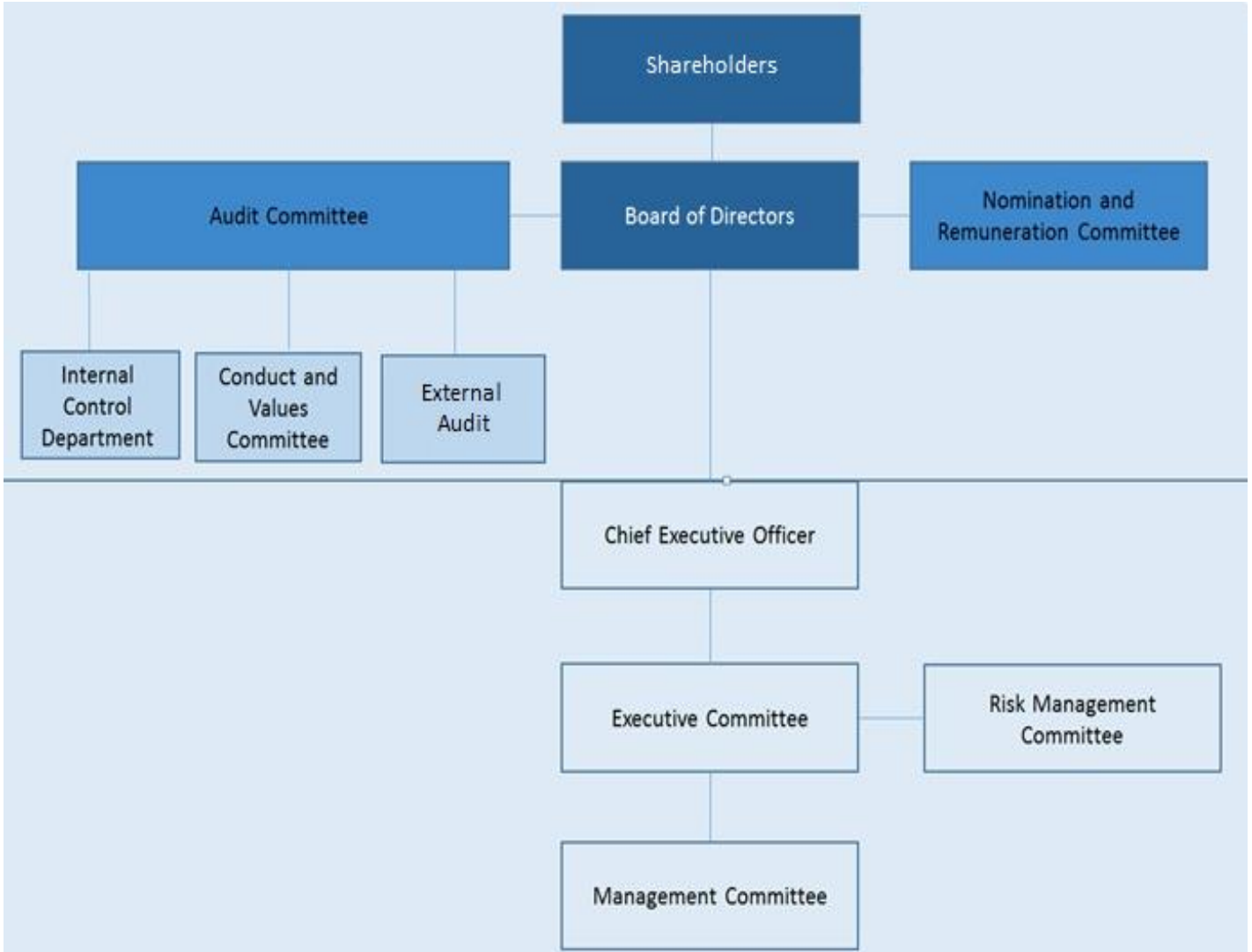
Warehousing Capacity

	Pallets	Existing Capacity	Incr.'tal Capacity	New Total Capacity	Investment Amount	Investment Completion
Abu Dhabi (Port) UAE		10k	5k	15k	\$ 4m	Q1'17
Al Ain UAE		32k	-	32k	-	-
Al Wathba UAE		9k	10k	19k	\$ 8m	Q2'17
Dubai UAE		4k	6k	10k	\$ 15m	Oct'16
Turkey		2k	5k	7k	\$ 1.4m	Mar'15
Abu Dhabi-Grain Silos Tons		150k	50k	200k	\$ 15m	Q2'17



Corporate Governance

- Committed to fully adhering to the Corporate Governance and Institutional Discipline Ministerial Resolution no. 518 of 2009
- Rigorously applied code of conduct for business practices and activities throughout the Group
- Winner of Capital Finance International (CFi), UK, Best Corporate Governance in the UAE 2nd year in a row





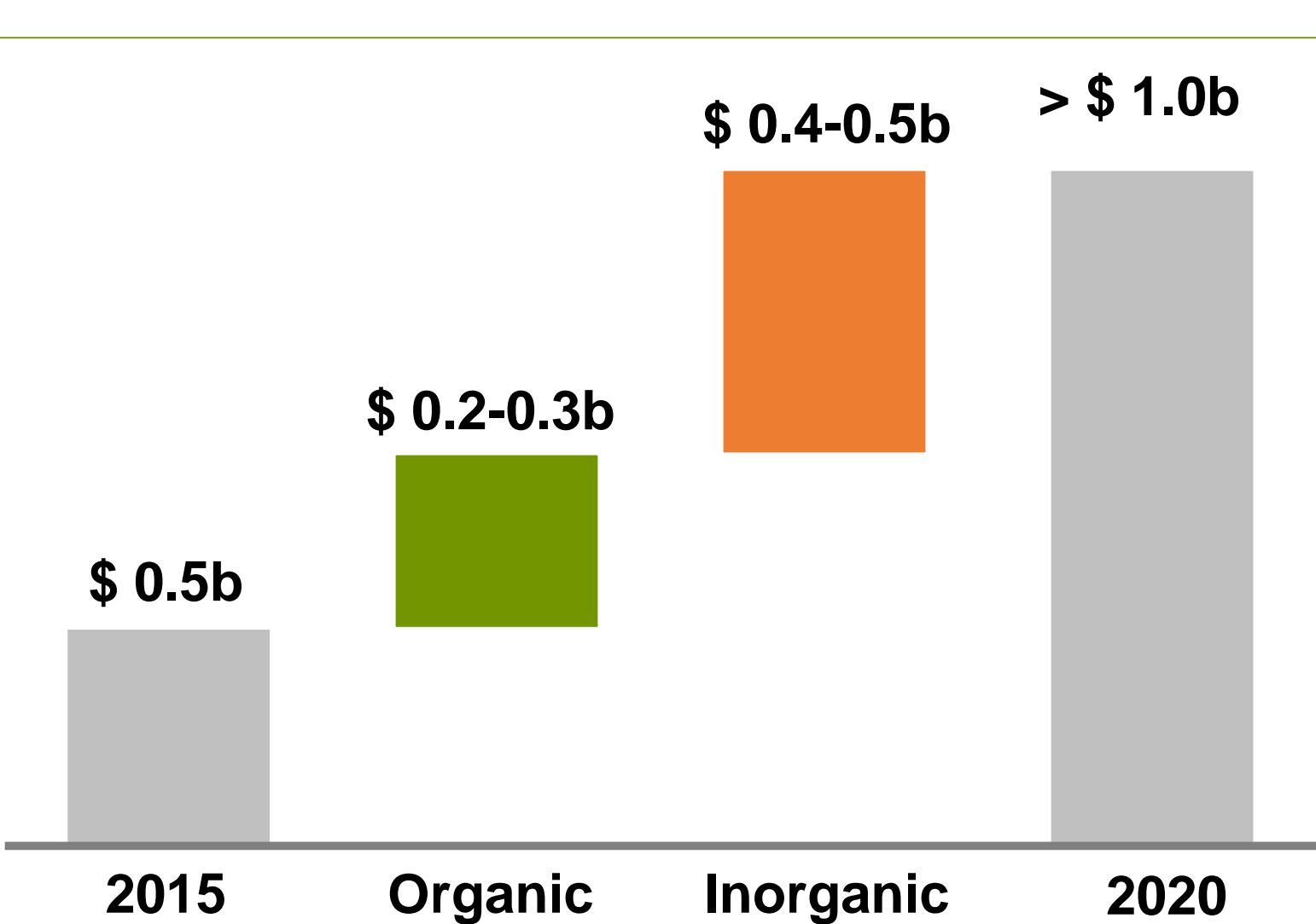
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Revenue Target by 2020



- Continue growing core organically (ahead of category growth)
- Acquire meaningful businesses (Dairy, Juice, Water)
- Expand internationally – organic and inorganic (GCC)



Core Categories



Consumer

Water	Juice	Dairy
		

Sizeable and growing

Complementary to Juice

Agri-business

Feed	Flour
	

Expand leadership



Winning Strategies

1



Strengthen core organically in the UAE (water, flour, feed)

2



Strengthen UAE consumer business with **a meaningful presence in 5-gallon, Juice and Dairy** through acquisition

3



Expand internationally in water through acquisition and M&A



Winning Strategies

4



Extend **leadership of agri-business** through greenfield expansion or feed acquisition

5



Turn around **non-core businesses** (Tomato Paste, Frozen Vegetables, Bakery, Monster)

6



Enhance **performance (margins)** through identified levers

7











Align **organization and capabilities** to deliver sustainable profitable growth



Execution

2016 To-date performance

-  **Grow in core** 
-  **Expand regionally** 
-  **Improve performance of non-core** 
-  **Align organization and infrastructure** 



Strong growth continues in Q1 of 2016

Net Sales
(AED million)
486

Net Sales
Growth
+12%

Net Profit
(AED million)
68

Net Profit
Growth
+14%



Grow core categories ahead of market growth

Drive profit ahead of revenue growth

Improve performance of non-core categories

Investing in our brands and enhancing our portfolio

Consumer Communication



➔ Responding to growing health conscious trend

Portfolio Expansion



➔ Presenting to consumers authentic bakery taste experience



Moving forward in our regional expansion program

Saudi Arabia – Flour Distribution



Kuwait Joint Venture – Al Ain Water Plant

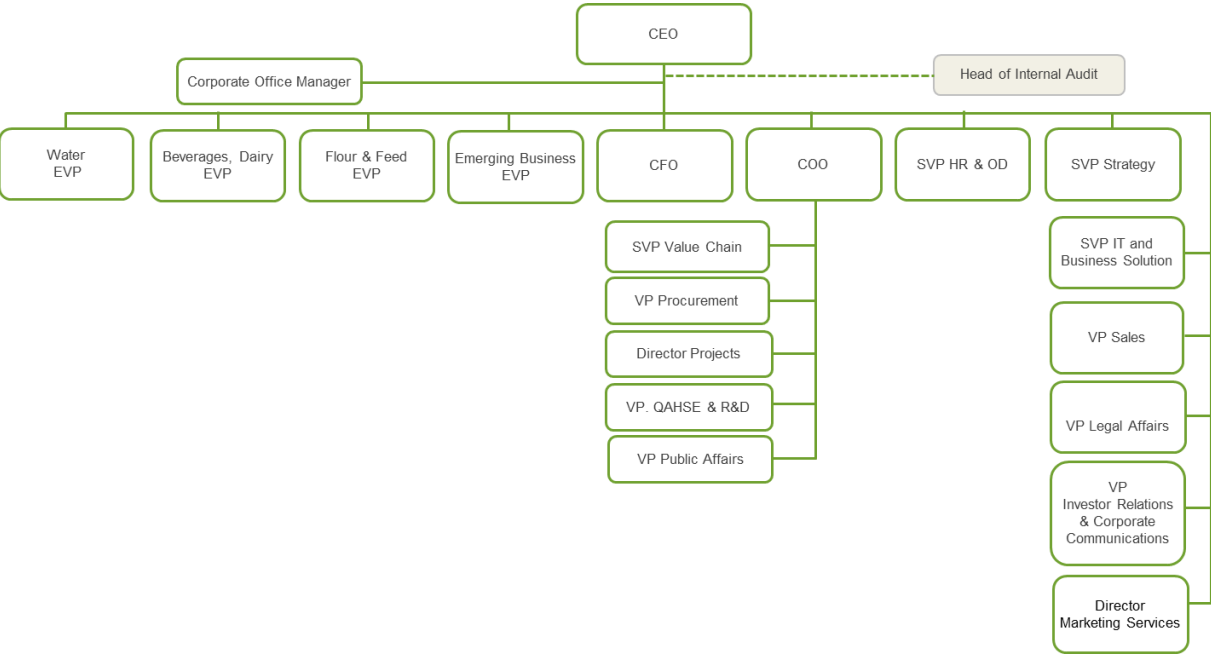


- ➔ Distribution of Flour in Saudi Arabia, of Water in Pakistan
- ➔ Joint venture for water bottling plant in Kuwait
- ➔ Dairy/Juice acquisition efforts are in progress



Taking organizational and infrastructure changes to the next level

Organization 2020



Systems and Infrastructure



Despite the challenges ahead ...

1. Volatile global/regional economic and political landscape



- Public spending cuts
- Lower tourism income

2. Liquidity crunch in the region



- Impact on SMEs
- Higher interest rates

3. Escalating competitive activity



- Category value erosion
- Increased trade spending




4. Likelihood of fiscal policy adjustments across the GCC



- Taxes – corporate and other
- Subsidy removal/reduction



We expect another year of growth for Agthia *

- Double-digit revenue growth  • 10-12%
- Profit growth faster than revenue  • 12-15%
- Positive WC and EVA trend; improving ROE, ROC  • WC to Net Sales: 25-27%
• Capex: AED 200-250M

* Barring changes in economic and/or political landscape, and impact of potential acquisitions, we expect:



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Thank you.



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