



Abdullah Al-Othaim Markets Company (OMC)

Investors' Presentation Q2/2021

Abdullah Al-Othaim Markets Company (OMC)

Profile Summary



Abdullah Al-Othaim Markets Company is a Saudi joint stock company listed on Tadawul security exchange market.

Currently is operating in Saudi Arabia and Egypt.

It is considered one of the leading retail companies in the Kingdom and has ranked fourth in brand contribution and is the 17th most valuable brand in the Kingdom in 2017.

Abdulaziz Abdullah Al-Othaim, CEO, has been awarded Top CEO Award 2018

In May 13, 2020, the Company was added to MSCI Saudi Arabia Standard Index.

In June 2021, Abdullah Al-Othaim Markets Company was ranked 65th among Forbes Top 100 Companies in The Middle East for 2021.

The main activities of the Company are food wholesale and retail, grocery stores, and malls. Ownership and operation of supermarkets, hypermarkets, grocery and convenience stores.

Through its subsidiaries, it provides direct investments in various sectors such as manufacturing and distribution of general food, engineering and contracting for buildings, and provides manpower services.

OMC is working as part of a strategy designed to increase the base of its branches to cover all regions of the Kingdom, and to enable them to provide outstanding services to clients on a wide geographical distribution, as well as providing all the needs and desires to be accessible to everyone.

Key information

Legal Structure	Saudi Joint Stock Company
Paid up Capital	SAR 900 million
Number of Shares	90 million
Market Capitalization	SAR 11.16 billion - USD 2.98 billion
Board size	8 members
Board Committees	Audit, Compensation and Nominations
Trading on Tadawul	Since 2008
Headquarters	Riyadh City
No. of Employees	+16K

Abdullah Al-Othaim Markets Company (OMC) - Snapshot



Retail Division:

- 292 stores with a total of sales area **492.84** thousands Sq. m, located across **KSA** and **Egypt**.
 - 247 stores with a total of **468.70** thousands Sq. m , located across **KSA**.
 - 45 stores with a total of **24.2** thousands Sq. m, located across **Egypt**.
- Contribution to Total Sales is **89.91% (Q2/2021)**

Wholesale Division:

- 10 stores with a total of **16.23** thousands Sq. m, located across **KSA**.
- Contribution to Total Sales is **10.09 % Q2/2021**

Growth

- Growth in number of stores (Q2/2020 – Q2/2021) is 4.86%.
- Growth in area of stores (Q2/2020 – Q2/2021) is 2.31%.

Our Presence



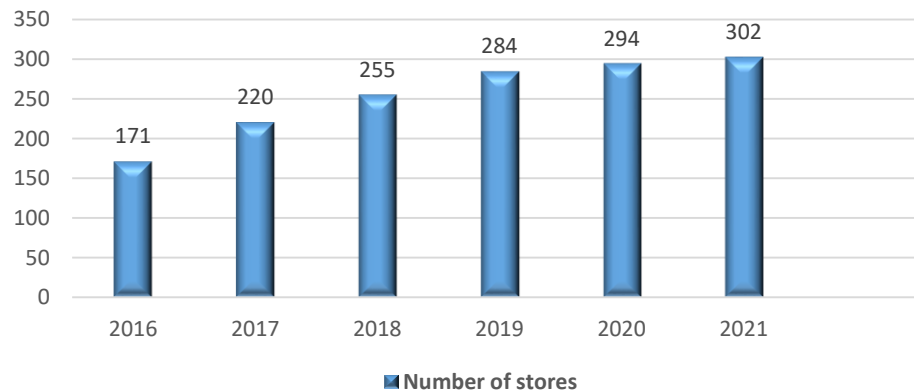
Format	Riyadh Province	Gassim Province	Tabuk Province	Eastern Province	Aseer Province	Aljof Province	Northern Province	Jizan Province	Najran Province	Hael Province	Makka Province	Madina Province	Total	%	EGYPT
Hypermarket	3	0	0	2	0	0	1	0	0	1	0	0	7		
Supermarket	94	18	3	25	19	5	3	7	3	1	12	3	193		45
Wholesale	7	1	0	1	1	0	0	0	0	0	0	0	10		
Corner	43	1	0	1	0	0	1	0	0	0	1	0	47		
Total	147	20	3	29	20	5	5	7	3	2	13	3	257		45
%	57%	8%	1%	11%	8%	2%	2%	3%	1%	1%	5%	1%	100%		
Cities	19	11	1	7	10	4	4	7	2	1	6	2	74		1

Stores Breakdown



Year	Saudi Arabia					Egypt	
	Hyper	Supermarkets	Corner	Wholesale	SQMs/ Year thousands	Supermarket	SQMs/ Year thousands
31/12/2016	9	113	28	9	288.5	12	8.9
31/12/2017	9	139	29	10	352.2	33	18.4
31/12/2018	8	158	37	11	401.6	41	22.1
31/12/2019	8	181	42	11	456.2	42	22.5
31/12/2020	7	189	44	10	473.4	44	23.4
30/06/2021	7	193	47	10	484.9	45	24.1
SQMs/Category thousand	35.4	407.8	25.5	16.2		24.1	

Number of Stores



Quick glance



- OMC reported Q2 2021 results with revenues of SAR **4,268** MM (-**13.84%**YoY), Q2 2021 Net income was SAR **106** MM (-**53.02%**YoY).
- In addition to retail sales revenue, revenue from rental activity amounted to **67.4** MM.
- Sales decreased by **-13.84%**, as the second quarter of 2020 achieved an extraordinary growth in retail sales as a result of the great demand for foodstuff and supplies purchases in anticipation of preventive measures to limit the spread of the Corona pandemic.
- Sales had also been negatively affected by the increase in the value-added tax as of 01/07/2020, and the transfer of schools to distance education.
- 9 new stores were opened in 1H/2021 in KSA and 1 store in Egypt. In addition, according to the management plan the company will add 24 stores in 2021 in KSA.

Financial Performance



- Strong Revenue Acceleration.
- Sustained Profit Growth.
- Strong Balance Sheet with Healthy Financial Ratios.
- Highly liquid.
- Low Leverage.
- Highly ROE and ROCE.
- Steadily Growing EPS and Dividends.

Income Highlights Q2 (YTD)



In SAR Million	2Q2017	2Q2018	2Q2019	2Q2020	2Q2021
Sales	3,632	3,821	4,130	4,954	4,268
Gross profit	676	717	781	971	820
EBIT	138	149	137	235	113
Interest	(8.6)	(0.8)	(0.4)	(0.7)	(0.4)
Zakat	(4.4)	(4.2)	(4.2)	(7.2)	(4.8)
* Net income from continuing operations	125	141	130	226	106

* Performance was significantly affected by the precautionary measures taken by the government against the outbreak of Covid-19

Balance Sheet Highlights



In SAR Million	2Q2017	2Q2018	2Q2019	2Q2020	2Q2021
Non-current assets	2,182	2,332	3,478	3,602	3,726
Current Assets	1,165	1,316	1,288	1,363	1,312
TOTAL ASSETS	3,347	3,648	4,766	4,965	5,038
Shareholders Equity	1,495	1,660	1,487	1,524	1,359
Non-controlling interest	33	40	38	44	36
Non- current liabilities	176	121	1,273	1,451	1,585
Current Liabilities	1,643	1,827	1,968	1,945	2,058
TOTAL LIABILITIES & Equity	3,347	3,648	4,766	4,965	5,038

Cash Flow Highlights



In SAR Million	2017	2018	2019	2020	2021
Cash provided from or (used) in operation activity	275	301	214	804	332
Cash provided from or (used) in investment activities	(180)	(240)	(84)	(76)	(88)
Free Cash Flow	95	62	130	728	243
Cash provided from or (used) in financing activities	(173)	(121)	(208)	(369)	(259)
Net Change in Cash	(78)	(59)	(78)	360	(15)

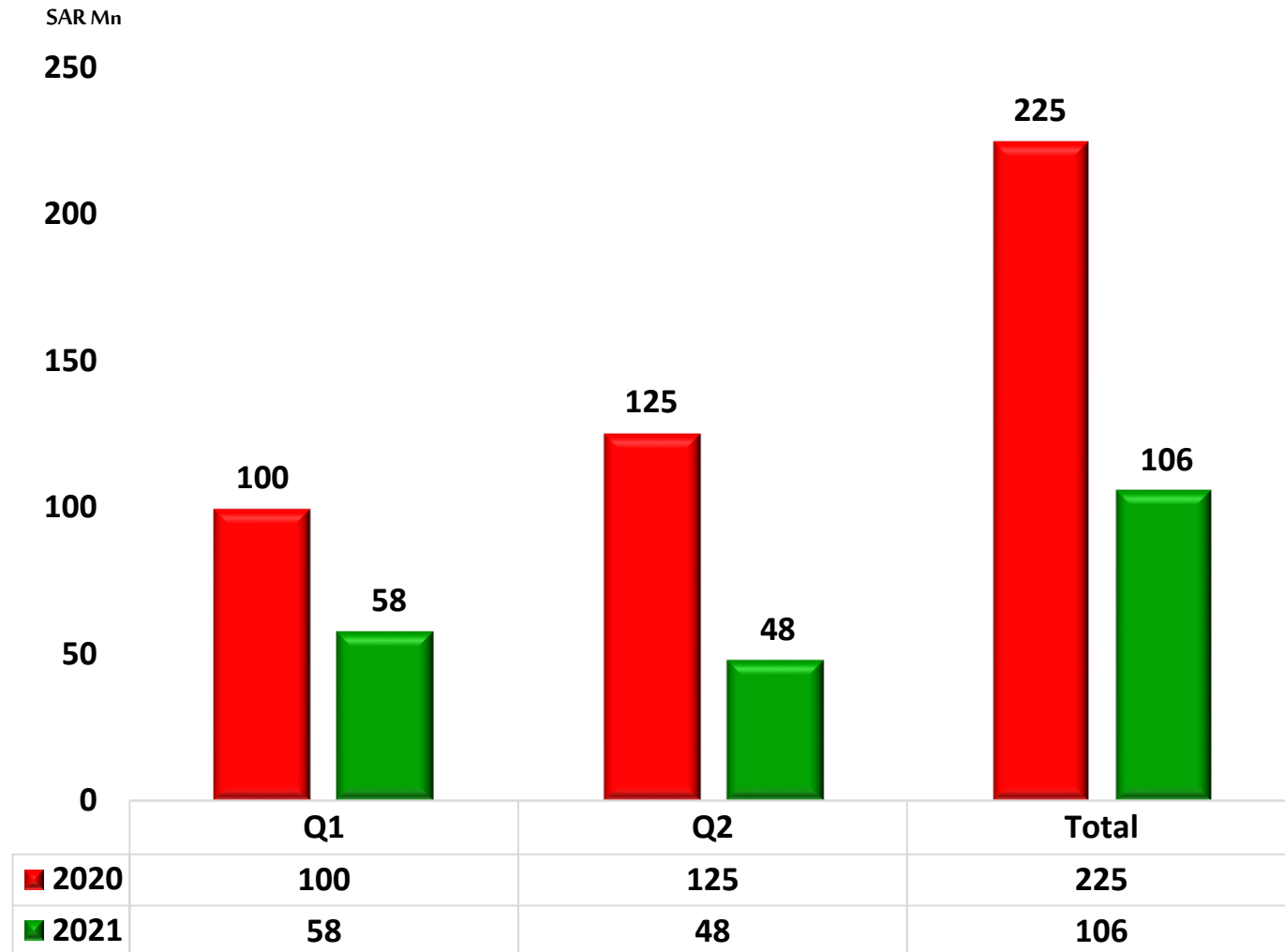
Consolidation Financial Snapshot



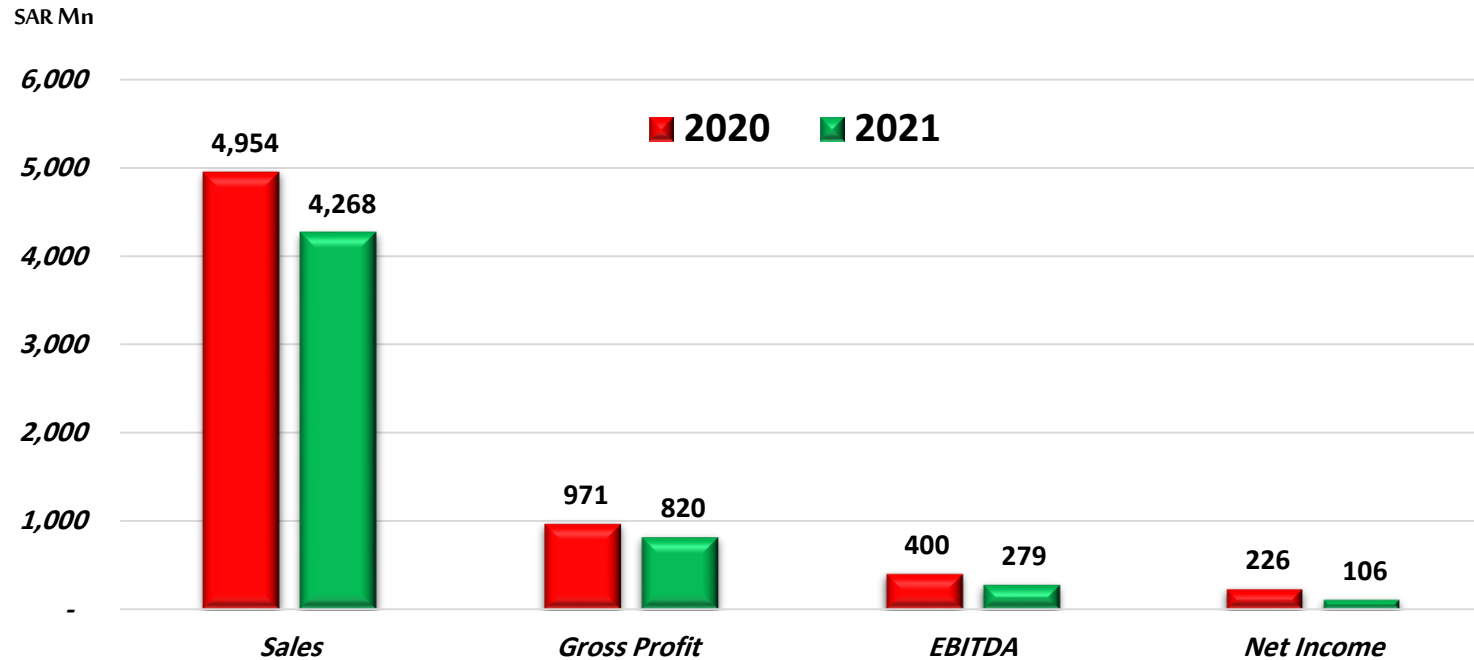
SAR Mn	Sales	Gross Profit	EBITDA	Net income from continuing operations
Q2 2021	4,268 -14% Vs. Q2 2020	820 -16% Vs. Q2 2020	279 -30% Vs. Q2 2020	106 -53% Vs. Q2 2020

* Normalized EBITDA & Net income

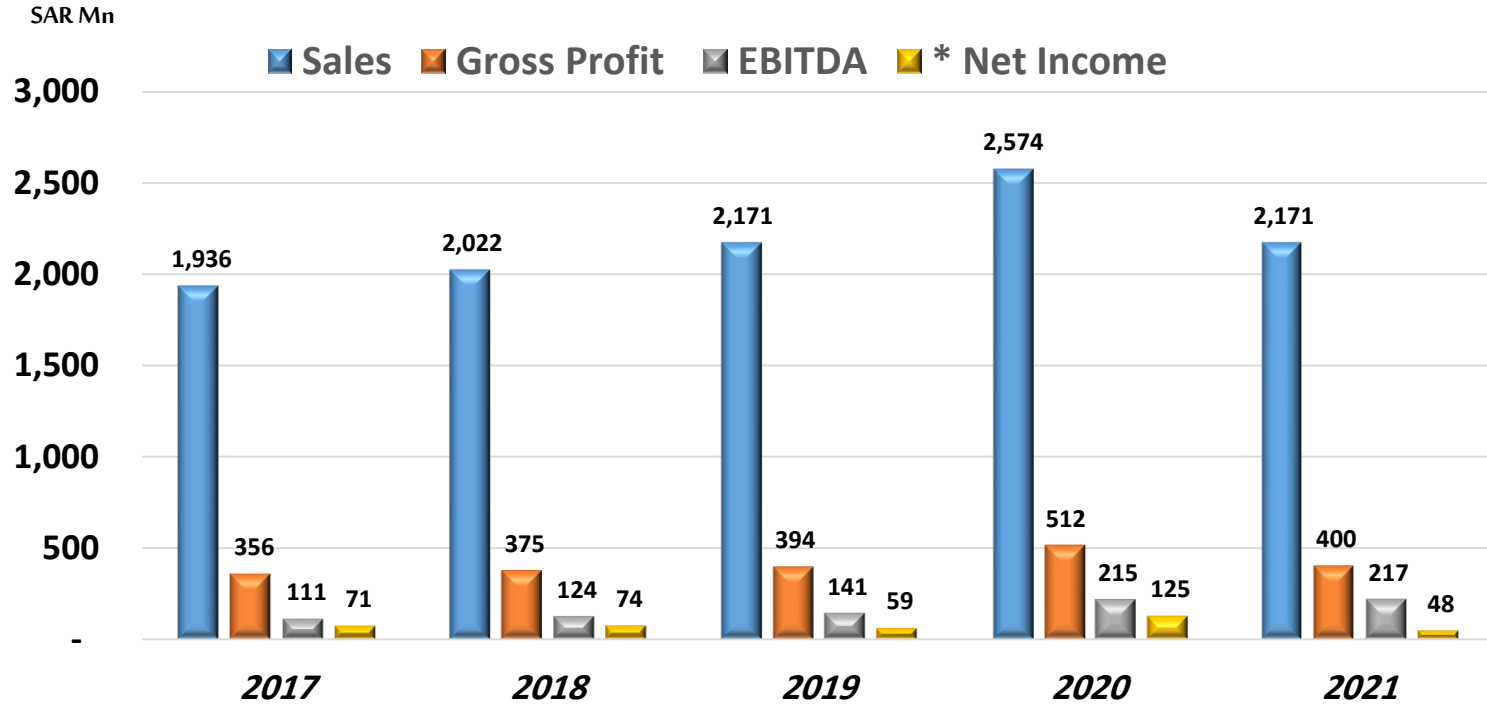
Quarterly Net Income CY Vs. LY



Consolidation Financial Highlights - YoY



Consolidation Financial Highlights – past 5 years (YoY)

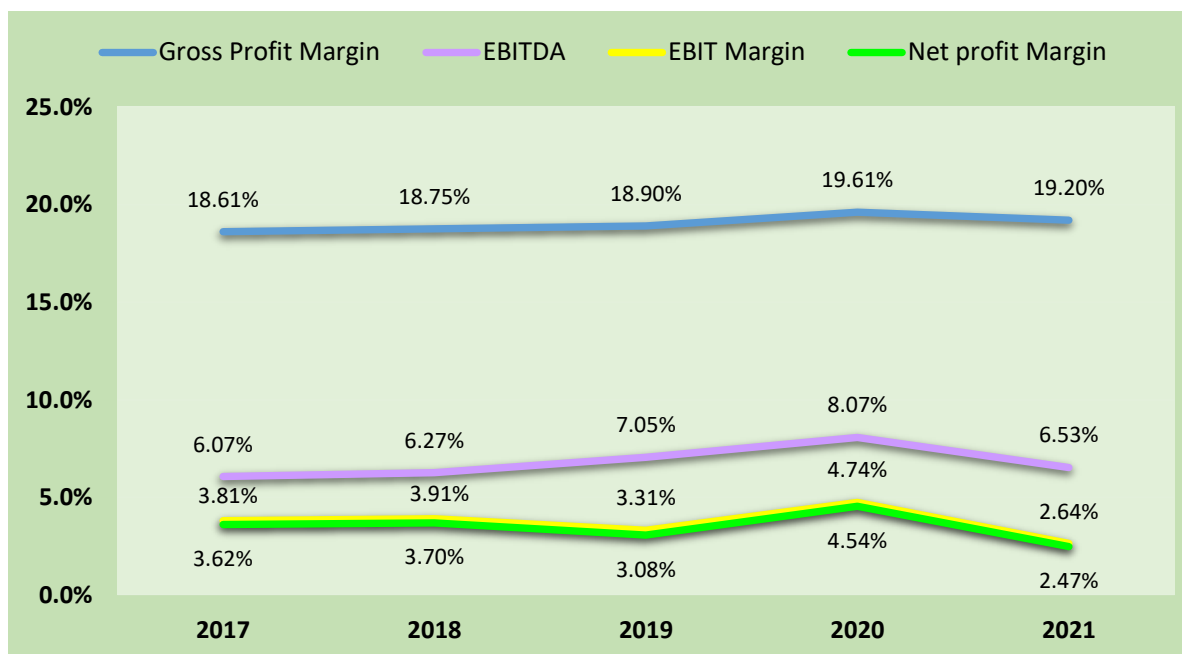


* Normalized EBITDA & net income

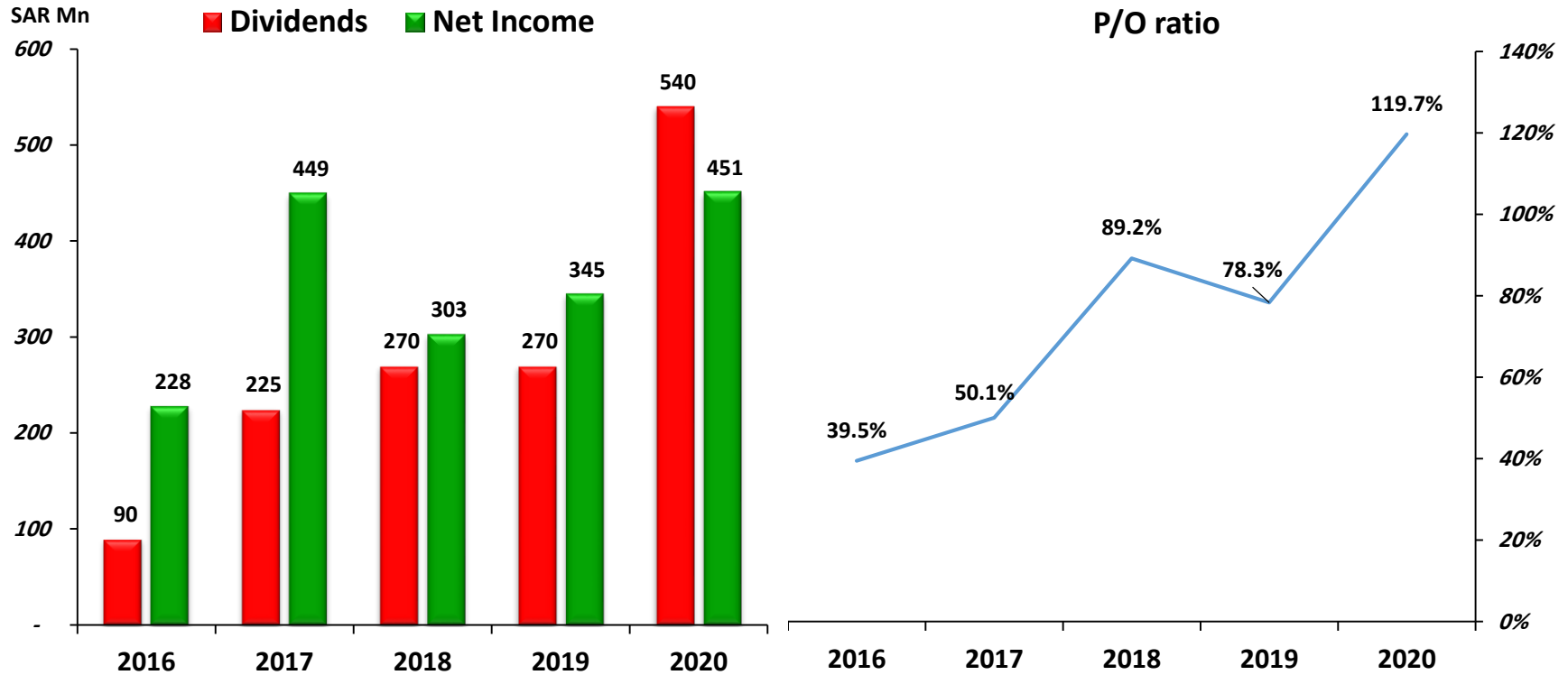
Trends in Margins



Margins	2017	2018	2019	2020	2021
Gross Profit Margin	18.61%	18.75%	18.90%	19.61%	19.20%
EBITDA	6.07%	6.27%	7.05%	8.07%	6.53%
EBIT Margin	3.81%	3.91%	3.31%	4.74%	2.64%
Net profit Margin	3.62%	3.70%	3.08%	4.54%	2.47%



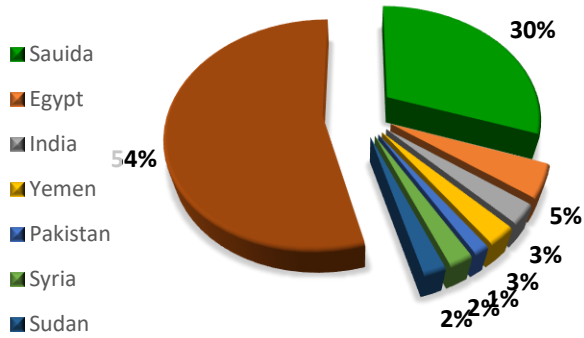
Dividends Vs. Net Income – 5 years



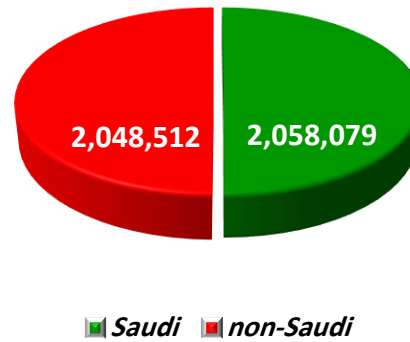
Loyalty program (IKTISSAB)



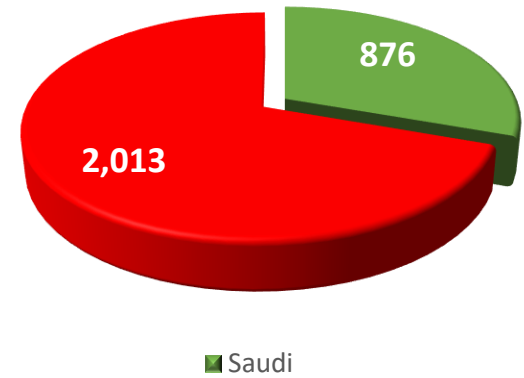
Sales by Nationality



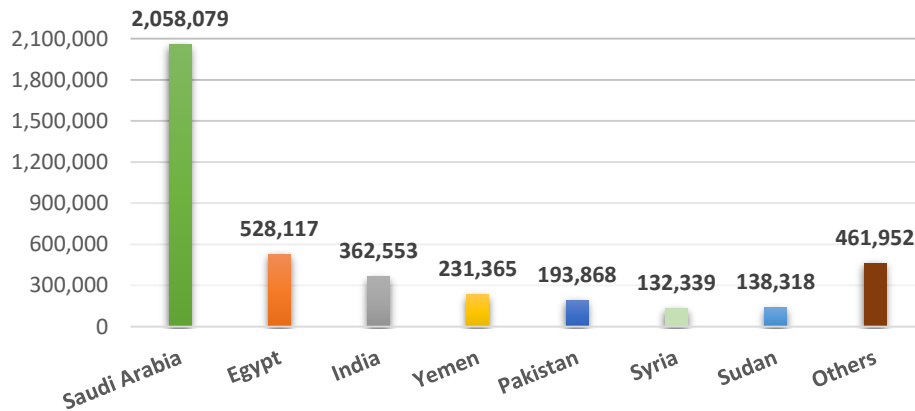
Number of customers



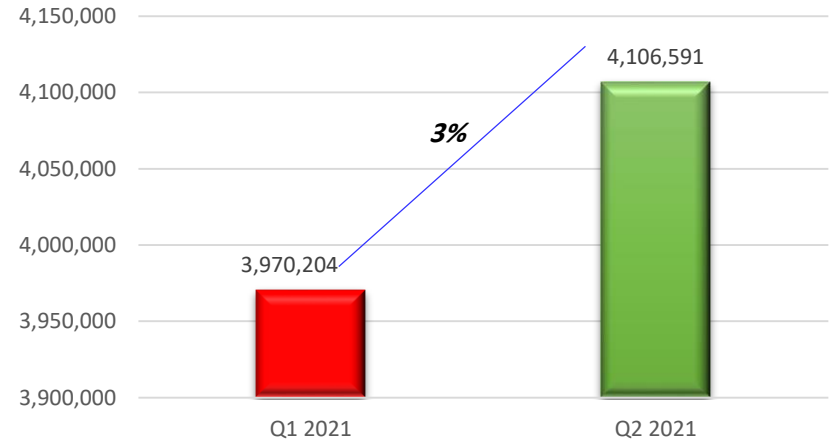
Sales value - SAR



NUMBER OF CUSTOMERS BY NATIONALITY



Iktisab customers growth



Highlights on Othaim Markets KSA Q2/2021



Statics	% YoY	SAR
Sales growth %	<i>-13.84%</i>	
LFL sales growth %	<i>-15.10%</i>	
No. of IKTISAB customers growth %	<i>3%</i>	
No. of transaction growth	<i>0.69%</i>	
Basket value growth %	<i>-16.29%</i>	
Basket value (SAR)		109.52
Q2/2021 Revenue / Sqm (SAR)		9,615

Key Financial Indicators Q2/2021



Return on Equity	7.3%
Return on Assets	2.1%
ROCE	3.5%
Fixed Assets turnover	3.03
Debt : Equity	2.7:1.0
Assets growth	1.5%
Shareholders equity growth	(10.9%)
EPS (SAR)	1.17
