



Abdullah Al-Othaim Markets Company (OMC)

Investors' Presentation Q1/2021

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.

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

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

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 11.38 billion - USD 3.03 billion
Board size	8 members
Board Committees	Audit, Compensation and Nominations
Trading on Tadawul	Since 2008
Headquarters	Riyadh City
No. of Employees	+15 K

Abdullah Al-Othaim Markets Company (OMC) - Snapshot



Retail Division:

- 290 stores with a total of sales area **492.25** thousands Sq. m, located across **KSA** and **Egypt**.
 - 245 stores with a total of **468.1** 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 **89.85% (Q1/2021)**

Wholesale Division:

- 11 stores with a total of **18.97** thousands Sq. m, located across **KSA**.
- Contribution to Total Sales is **10.15 % Q1/2021**

Growth

- Growth in number of stores (Q1/2020 – Q1/2021) is 5.2%.
- Growth in area of stores (Q1/2020 – Q1/2021) is 3.5%.

Our Presence

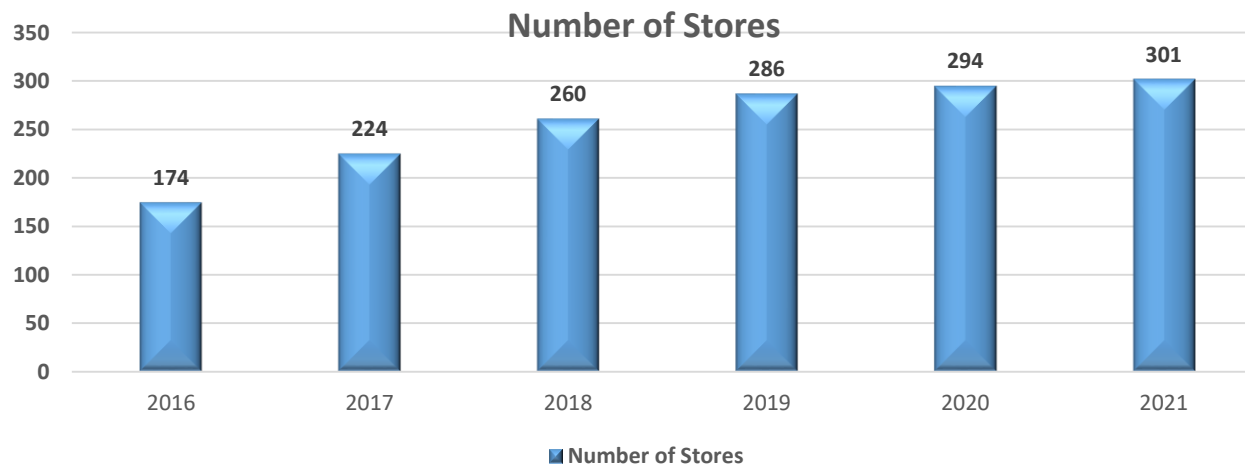


Format	Riyadh Province	Gassim Province	Tabuk Province	Eastern Province	Aseer Province	Aljof Province	Northern Province	Jazan Province	Najran Province	Hael Province	Makka Province	Madina Province	Total	%	EGYPT
Hypermarket	3	0	0	2	0	0	1	0	0	1	0	0	7	2.7%	0
Supermarket	93	18	3	25	19	5	3	7	3	1	12	3	192	75.0%	45
Wholesale	7	1	1	1	1	0	0	0	0	0	0	0	11	4.3%	0
Corner	42	1	0	1	0	0	1	0	0	0	1	0	46	18.0%	0
Total	145	20	4	29	20	5	5	7	3	2	13	3	256	100%	45
%	56%	8%	2%	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	
	Hypermarket	Supermarket	Corner	Wholesale	SQMs/Year Thousands	Supermarket	SQMs/Year thousands
31/12/2016	9	113	28	9	295	15	9
31/12/2017	9	139	29	10	358	37	18
31/12/2018	8	158	37	11	408	46	22
31/12/2019	8	181	42	11	462	44	22
31/12/2020	7	189	44	10	480	44	23
31/03/2021	7	192	46	11	487	45	24
SQMs/Category thousand	35	408	25	19		24	



Quick glance



- OMC reported Q1 2021 results with revenues of SAR **2,097** MM (-**11.87%** YoY), Q1 2021 Net income was SAR **58** MM (-**42.07%** YoY).
- In addition to retail sales revenue, revenue from rental activity amounted to **34.3** MM
- Sales decreased by 11.87%, as the first 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.
- Six new stores were opened in Q1/2021 in KSA, one in Egypt. In addition, according to the management plan the Company will add 24 new stores during 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 Q1



In SAR Million	Q1 2017	Q1 2018	Q1 2019	Q1 2020 *	Q1 2021
Sales	1,696	1,798	1,959	2,379	2,097
Gross profit	320	341	386	459	419
EBIT	67	71	73	104	61
Interest	(4)	0	0	(1)	0
Zakat	(2)	(2)	(2)	(3)	(2)
Net income from continuing operations	60	67	70	100	58

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

Balance Sheet Highlights



In SAR Millions	Q1 2017	Q1 2018	Q1 2019	Q1 2020	Q1 2021
Non-current assets	2,182	2,332	3,478	3,602	3,614
Current Assets	1,165	1,316	1,288	1,363	2,114
TOTAL ASSETS	3,347	3,648	4,766	4,965	5,728
Shareholders Equity	1,495	1,660	1,487	1,524	1,308
Non-controlling interest	33	40	38	45	46
Non- current liabilities	176	121	1,273	1,451	1,476
Current Liabilities	1643	1827	1968	1,945	2,898
TOTAL LIABILITIES & Equity	3,347	3,648	4,766	4,965	5,728

Cash Flow Highlights



In SAR Million	Q1 2017	Q1 2018	Q1 2019	Q1 2020	Q1 2021
Cash provided from or (used) in operation activity	104	240	197	544	89
Cash provided from or (used) in investment activities	(109)	(68)	(40)	(49)	(31)
Free Cash Flows	(-5)	172	157	495	58
Cash provided from or (used) in financing activities	(10)	(136)	(58)	(194)	95
Net Change in Cash	(15)	36	99	301	153

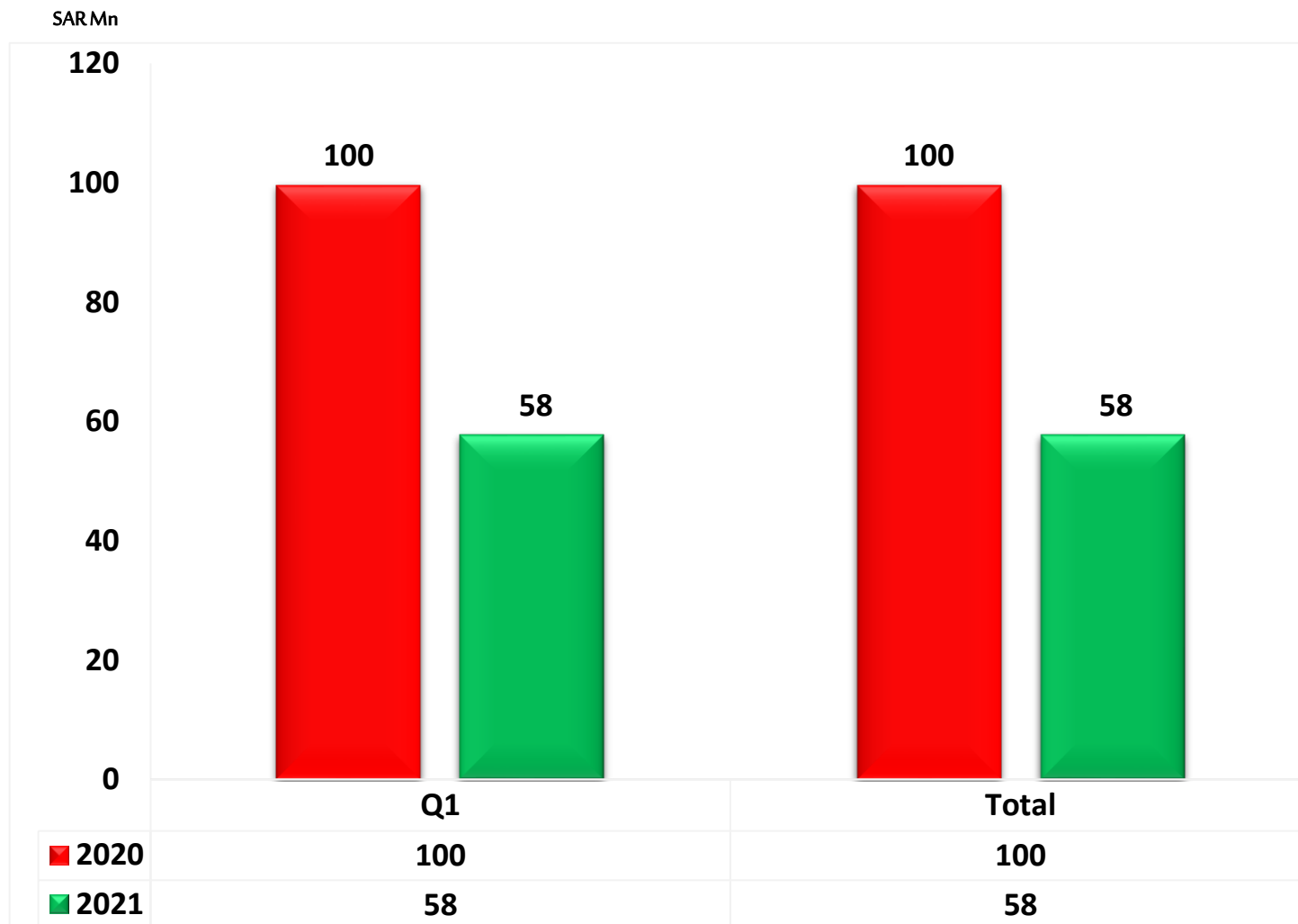
Consolidation Financial Snapshot



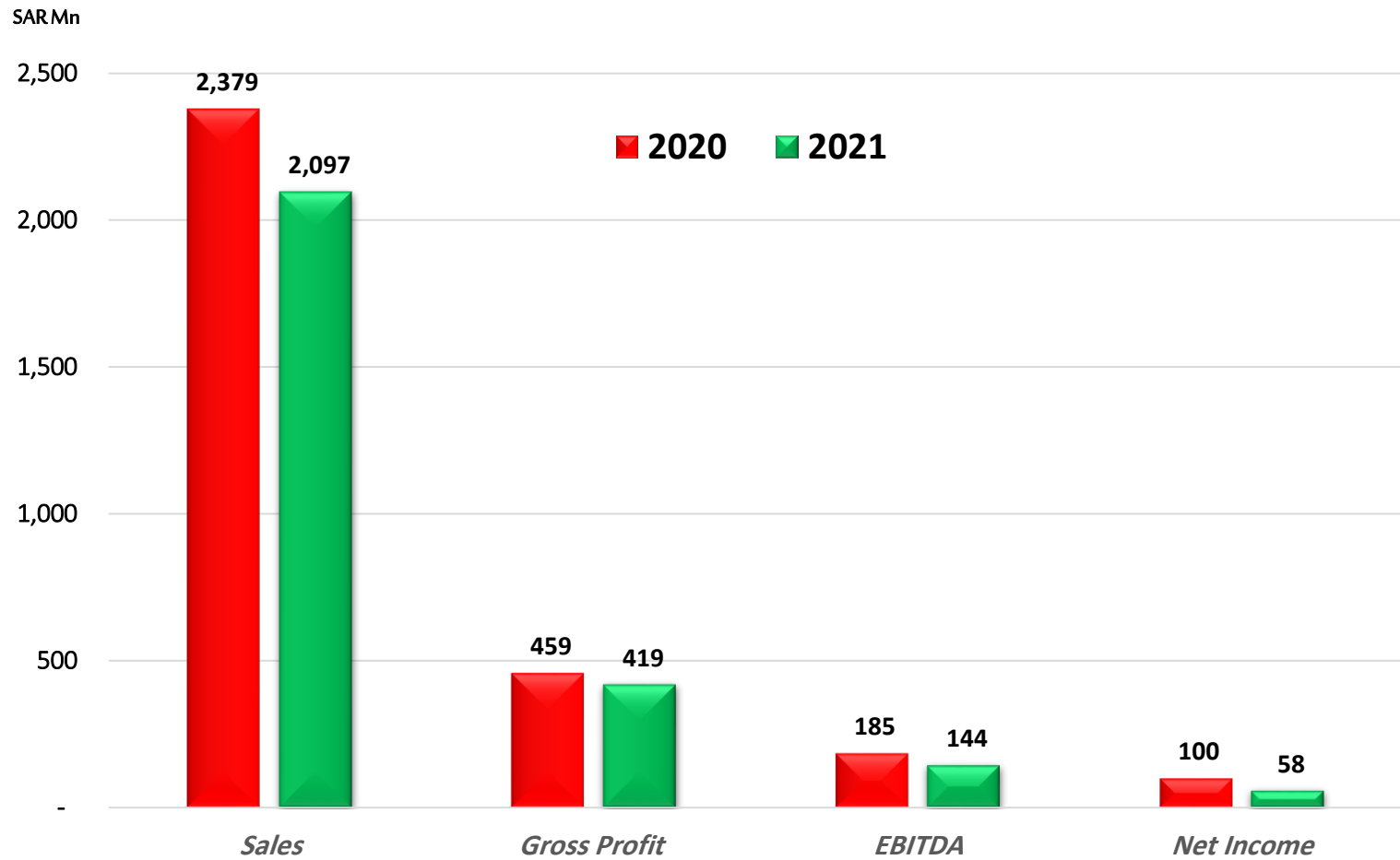
SAR Mm	Sales	Gross Profit	EBITDA	Net Income from continuing operations
Q1 2021	2,097 -12% Vs. Q1 2020	419 -9% Vs. Q1 2020	144 -22% Vs. Q1 2020	58 -42% Vs. Q1 2020

* Normalized EBITDA & Net income

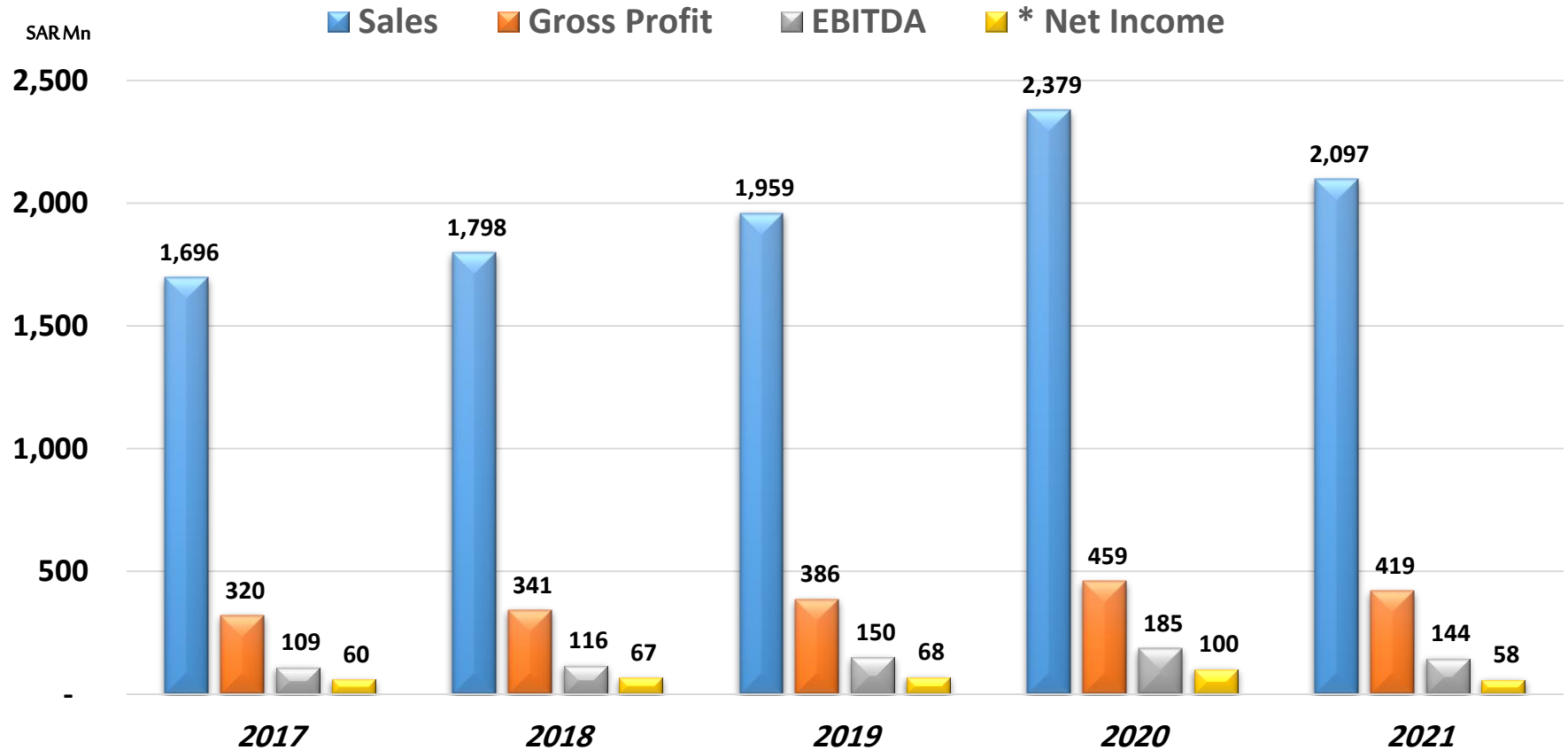
Quarterly Net Income CY Vs. LY



Consolidation Financial Highlights - YoY



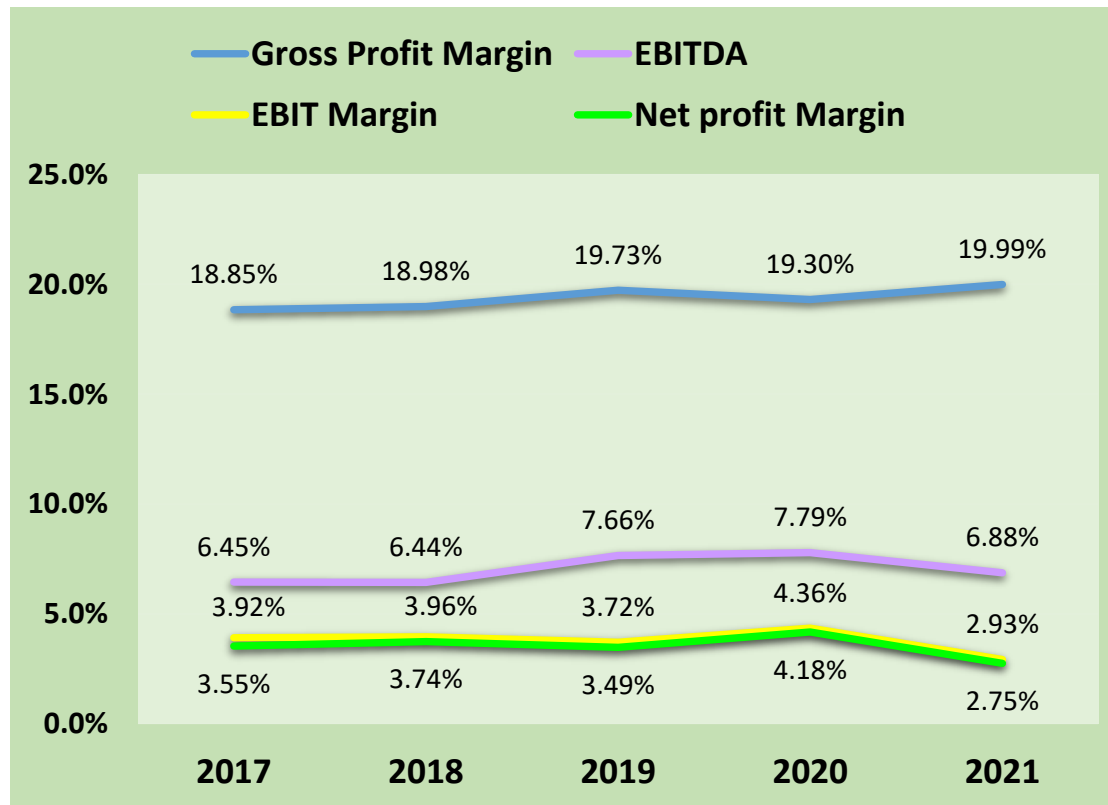
Consolidation Financial Highlights – past 5 years (YoY)



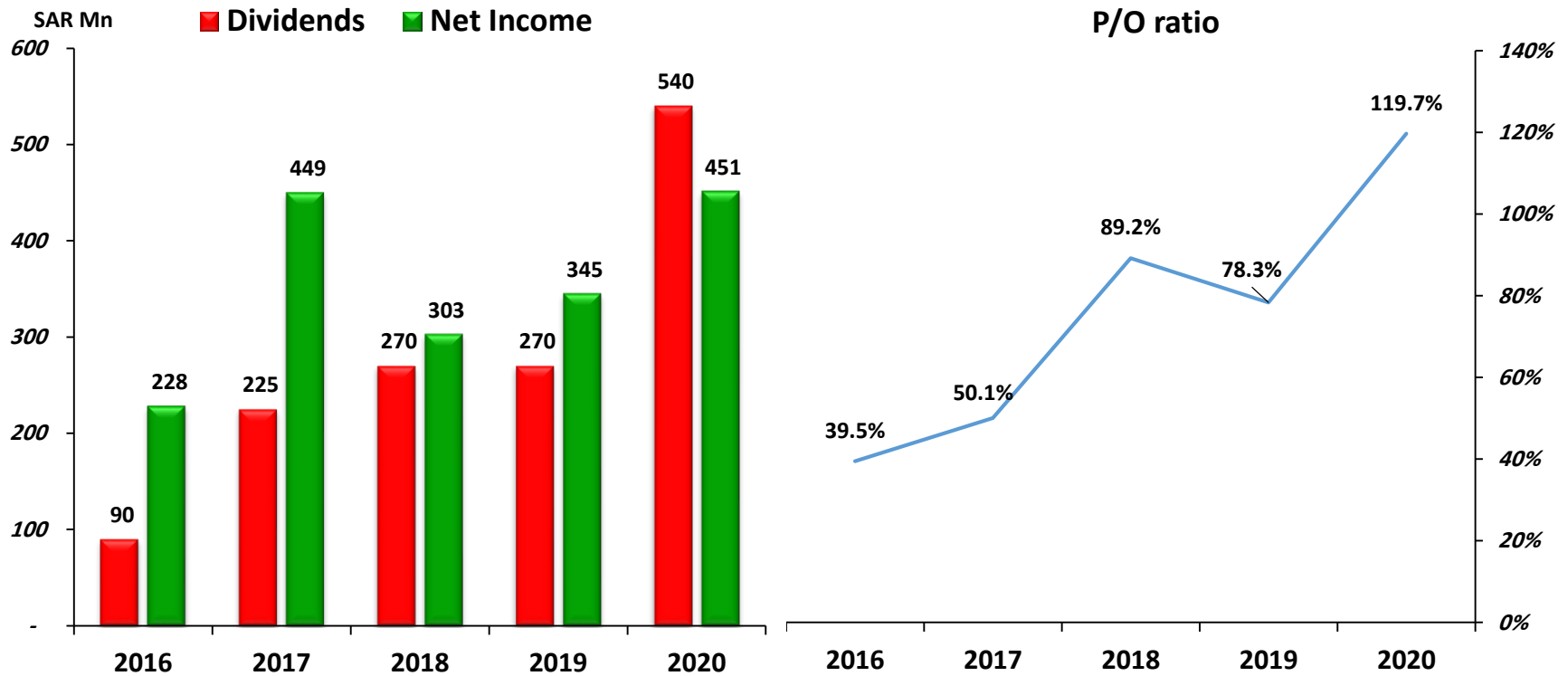
* Normalized EBITDA & net income

Trends in Margins

Margins	2017	2018	2019	2020	2021
Gross Profit Margin	18.85%	18.98%	19.73%	19.30%	19.99%
EBITDA Margin	6.45%	6.44%	7.66%	7.79%	6.88%
EBIT Margin	3.92%	3.96%	3.72%	4.36%	2.93%
Net profit Margin	3.55%	3.74%	3.49%	4.18%	2.75%



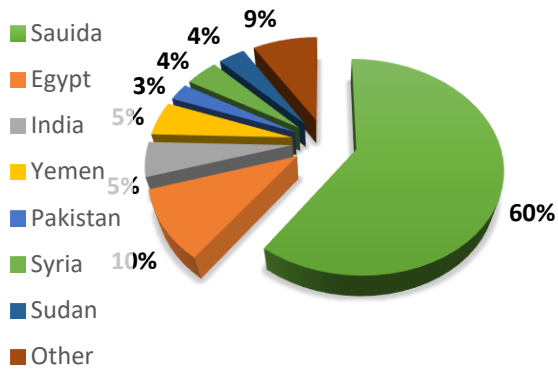
Dividends Vs. Net Income – 5 years



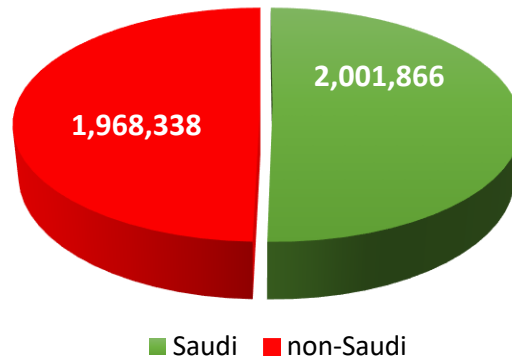
Loyalty program (IKTISSAB)



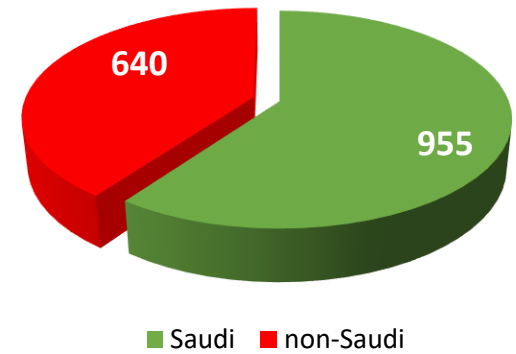
Sales by Nationality



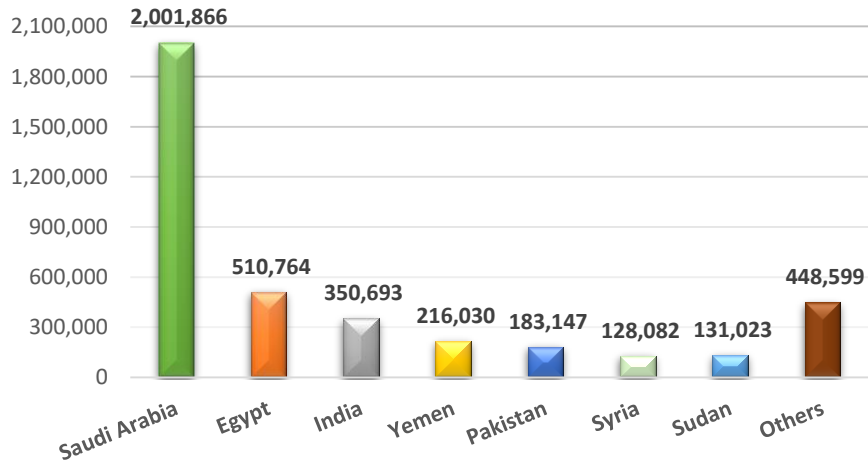
Number of customers



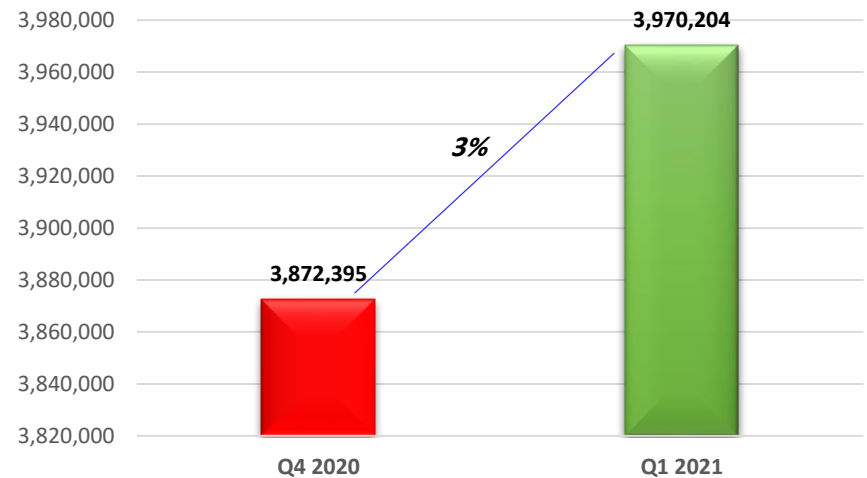
Sales value - SAR



NUMBER OF CUSTOMERS BY NATIONALITY



Iktisab customers growth



Highlights on Othaim Markets KSA Q1/2021



Statics	% YoY	SAR
Sales growth %	(11.87%)	
LFL sales growth %	(13.33%)	
No. of IKTISSAB customers growth %	3%	
No. of transaction growth	(12.99%)	
Basket size growth %	3.92%	
Basket size (SAR)		106
Sales / Sqm (SAR)		4,625

Key Financial Indicators Q1/2021



Return on Equity	4.1%
Return on Assets	1.1%
ROCE	2.2%
Fixed Assets Turnover	1.5
Debt : Equity	3.3 : 1.0
Assets Growth	15.4%
Shareholders Equity Growth	(14.2%)
EPS (SAR)	0.64