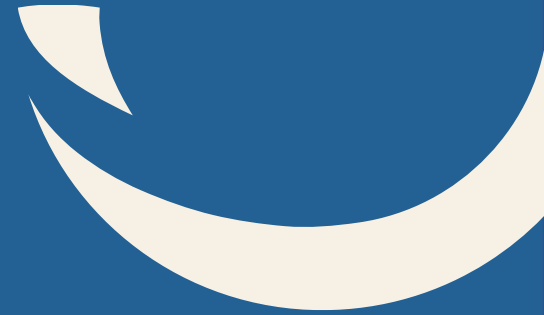




# Earnings Presentation

1Q 2024



- Strategic Highlights
- Near-Term Challenges, Impact and Response
- Financial Performance
- Outlook and Guidance



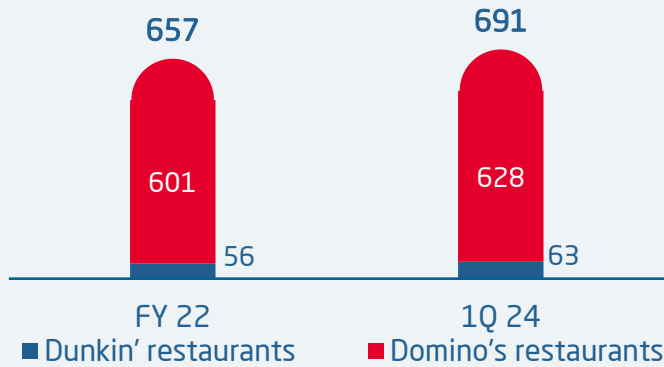
Earnings Presentation - 23 May 2024

# Strategic Highlights

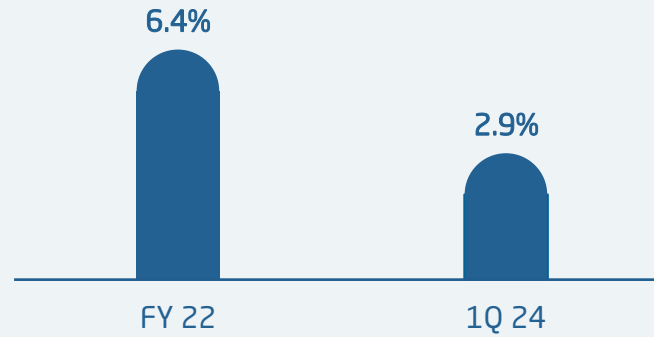




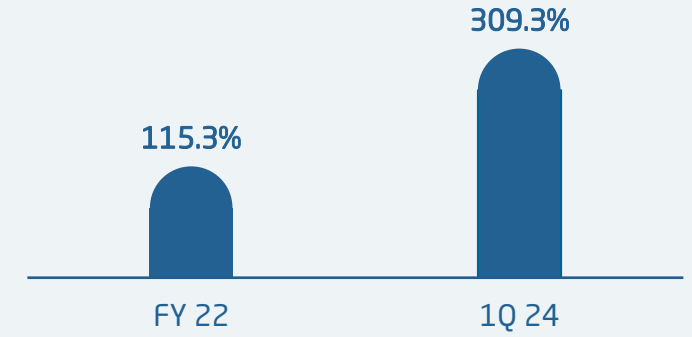
### Restaurant Chain Expansion by Brand



### Capex as a Share of Revenue (%)



### Superior OCF Conversion<sup>1</sup> (%)



150-185k

USD

Capex per Domino's and Dunkin' restaurant

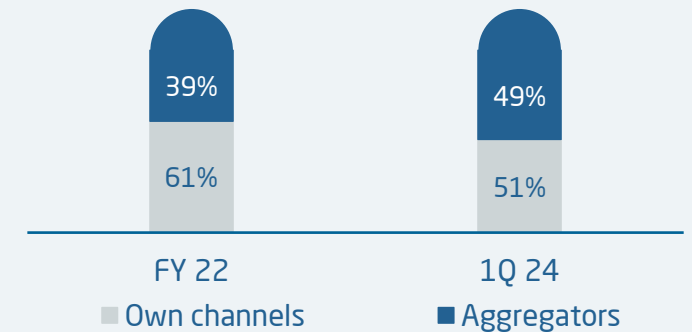
2.7 years payback period

70-80% of Net Profit

Dividend payout

### Digital Revenue Mix (%)

Amid continued digital penetration growth, Alamar captures a sizeable share of online sales via its own digital channels



\*OCF conversion is based on adj. EBITDA



Scalable Growth	LfL sales growth	▶ Implement an array of business initiatives such as menu development, customer loyalty programs, and optimized channel mix, supported by favorable demographic and consumer trends
	Store rollout	▶ Continue store openings in existing master franchise regions, ensuring attractive ROIC and payback profiles
	Sub-franchisee Acquisition	▶ Strengthen the margin profile by acquiring sub-franchisee partners or by becoming equity partners in sub-franchised markets
	New Geographies	▶ Expand into markets covered by the MFA, where Alamar does not currently operate (5 countries out of 16), and explore entry into new geographies outside MENA with existing brands.
	New Brands	▶ Add, acquire, or develop local and international scalable brands that complement the current offerings
Margins and Returns	Profitability	▶ Leverage LfL sales growth, scalability benefits, and technology-driven efficiency gains to ensure margin expansion
	Operating excellence	▶ Complete implementation of cost efficiency initiatives and programs to create an optimized balance of variable and fixed costs
Tech and Innovation	Digitalization	▶ Invest in technology to enhance digital sales, CRM, and loyalty programs, coupled with rigorous customer data analysis
	Omni-channel	▶ Enhance customer experience with online ordering application
	New Product Development	▶ Add new categories to the menu that complement existing items and meet customer preferences

## Omni-Channel ordering and multiple service methods address current consumer trends

### Omni-Channel order method:

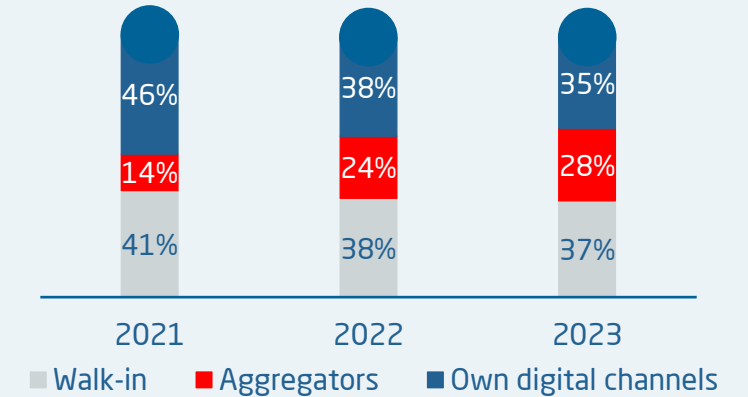
- In-Store
- Call Centre
- Aggregators
- Online



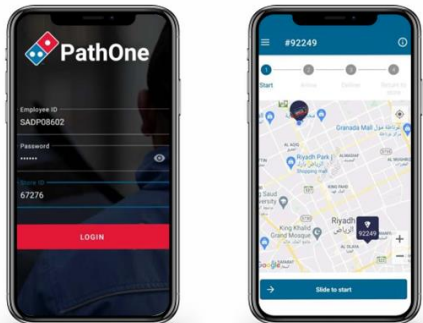
### Service method / customer exp.

- In-Store
- Takeaway
- Delivery

## Revenue split by service method (%)



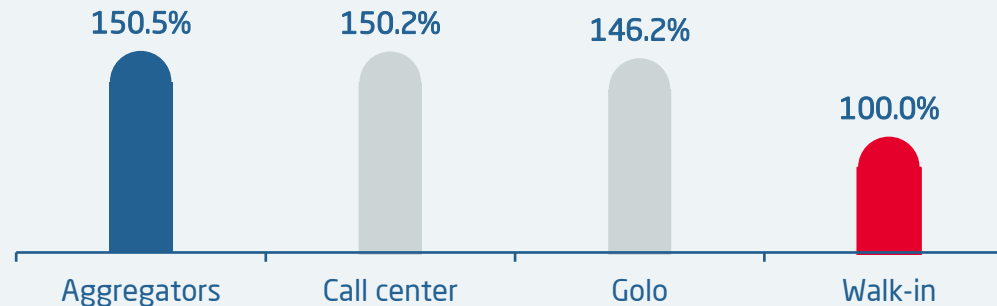
Well-developed delivery and digital infrastructure to support omni-channel offering



## ATP index in KSA, walk-in ATP = 100%

1Q 2024

Growing digital penetration drives growth and average transaction price



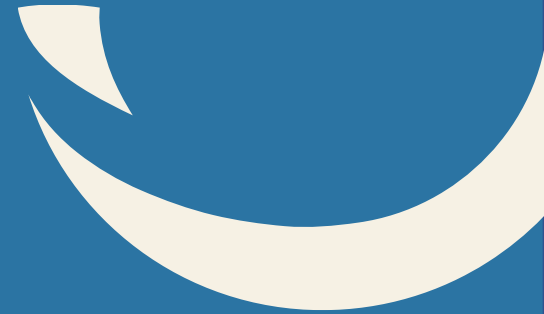
Alamar is well placed to benefit from major trends in the KSA and UAE QSR market

- Growing popularity of online channels and delivery
- Enhanced customer experience
- Increasing role of special deals and promo



Earnings Presentation - 23 May 2024

# Near-Term Challenges, Impact and Response



## Geopolitical Situation

- ▶ Prioritize key markets (KSA and UAE) due to their significant impact at Group level, while preparing for expansion across other markets and /or with other brands, balancing the brand portfolio

## Growth

- ▶ Focus on top-line performance (sales) through volume and ATP growth (+4% each), alongside absolute gross profit and gross profit margin
- ▶ Resume and expand new store openings, primarily in KSA and UAE, aiming to add 20 to 25 corporate stores to the pipeline; optimize store footprint across KSA with selected relocation of stores
- ▶ Implement cost management programs to enhance system agility by introducing cost variability in key areas such as delivery and operations labor
- ▶ Expand the customer base by leveraging the omni-channel model, with optimized sales mix allocation across sales channels
- ▶ Drive profitable sales uplift by capitalizing on dynamic marketing offers and calendar, including digital and delivery sales
- ▶ Continue to enhance technology tools, including CRM systems and proprietary ordering applications, to improve customer convenience and acquisitions
- ▶ Engage in additional activities such as partnerships, events, and new product development



Earnings Presentation - 23 May 2024

# Financial Performance



207mn

SAR



Revenues  
-17% YOY

10mn

SAR



Adj. EBITDA  
-69% YOY

31mn

SAR



OCF  
+34% YoY

691



Group Store Count  
+4% YOY

4.9%



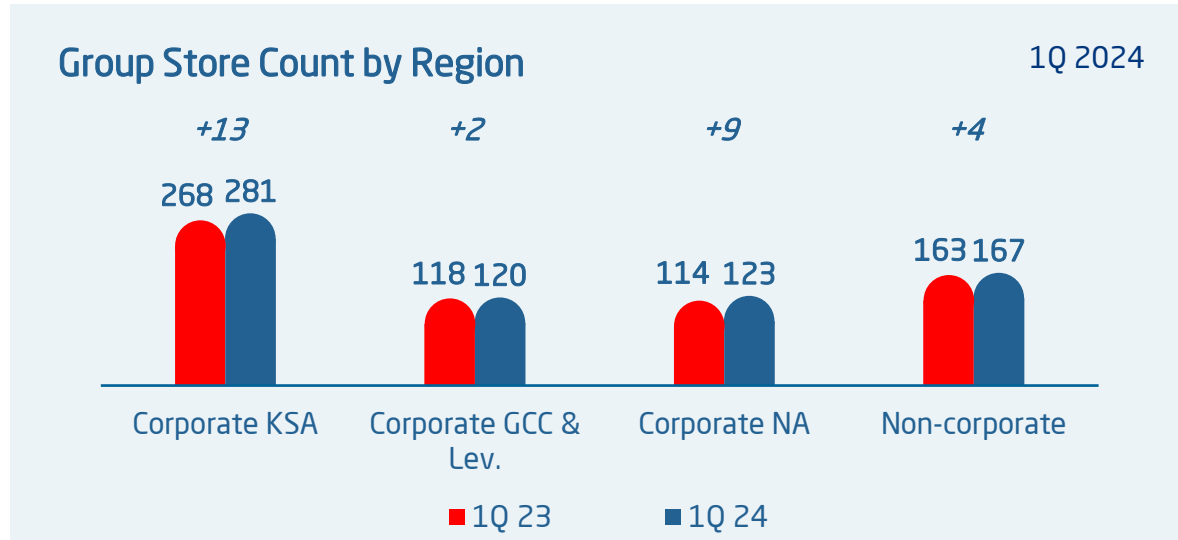
Adj. EBITDA Margin  
-8 pts YOY

2.9%



Capex / Revenue  
-3 pts YoY

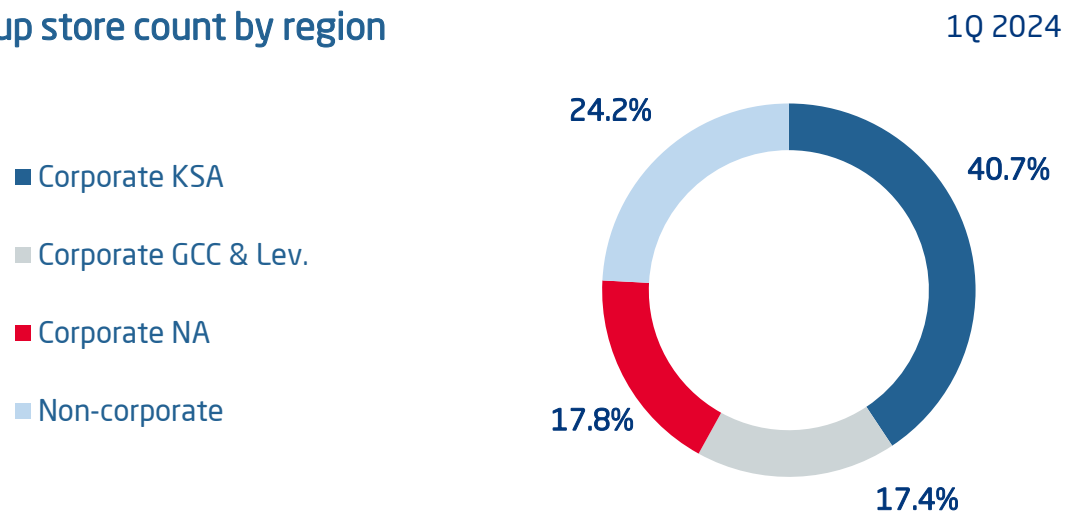
# Corporate stores represent 76% of the total system-wide footprint in 1Q24



### Group Store Count by Brand

Brand	1Q 23	1Q 24	YoY Change
Domino's	605	628	23
Dunkin'	58	63	5
<b>Total</b>	<b>663</b>	<b>691</b>	<b>28</b>

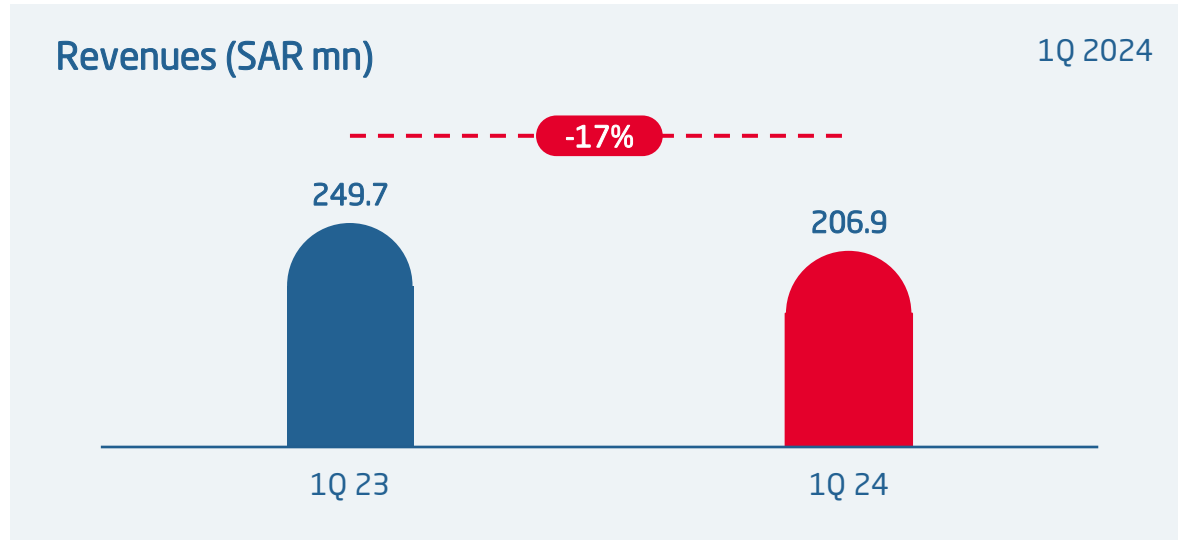
### Group store count by region



### Group Store Count by Type

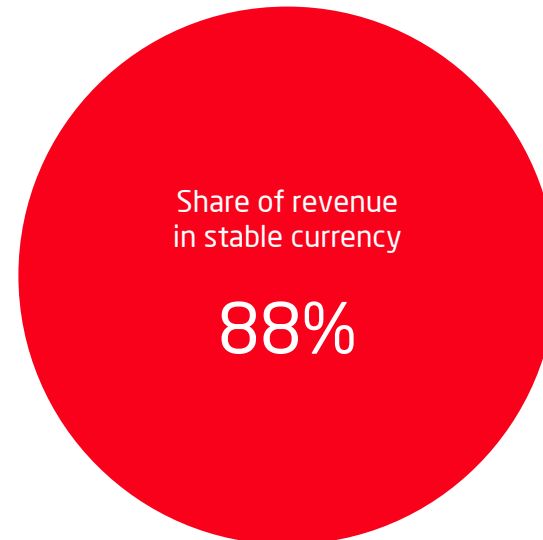
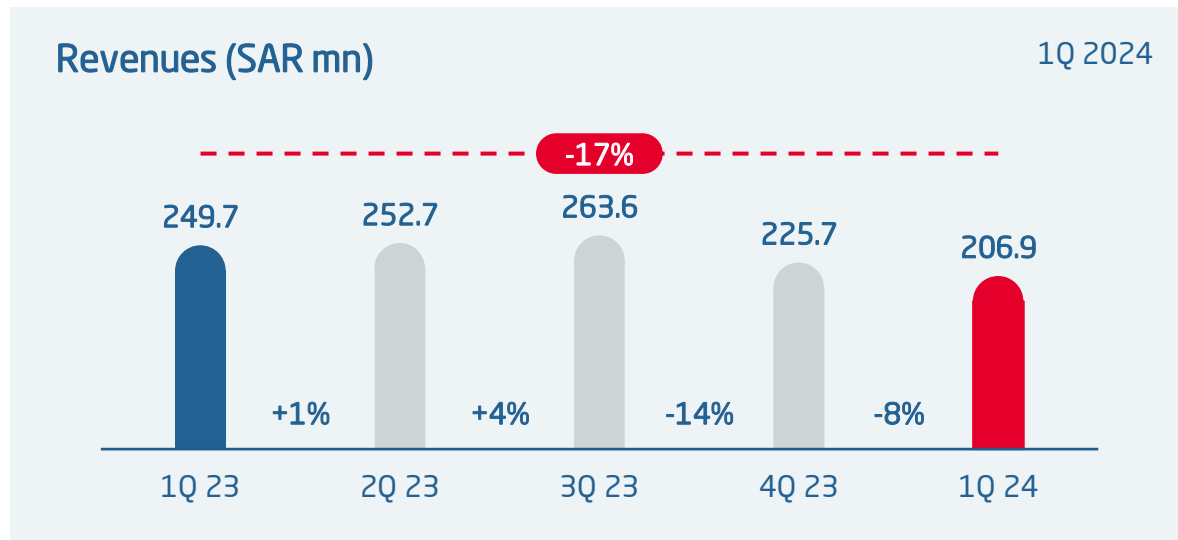
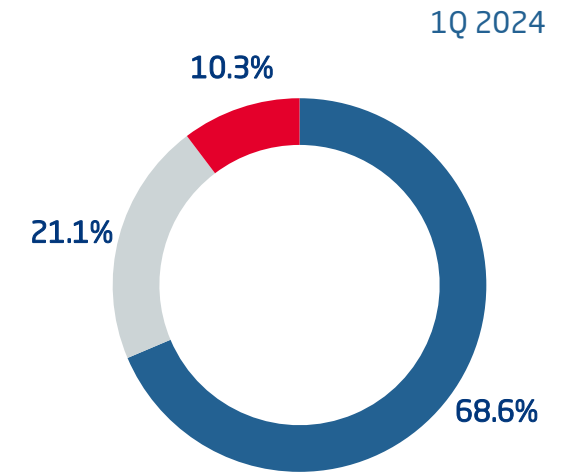
Type	Q1'23	Q1'24	YoY Change
Corporate	500	524	24
Non-Corporate	163	167	4
<b>Total</b>	<b>663</b>	<b>691</b>	<b>28</b>

# 1Q24 revenue was impacted by geopolitical situation and Ramadan seasonality

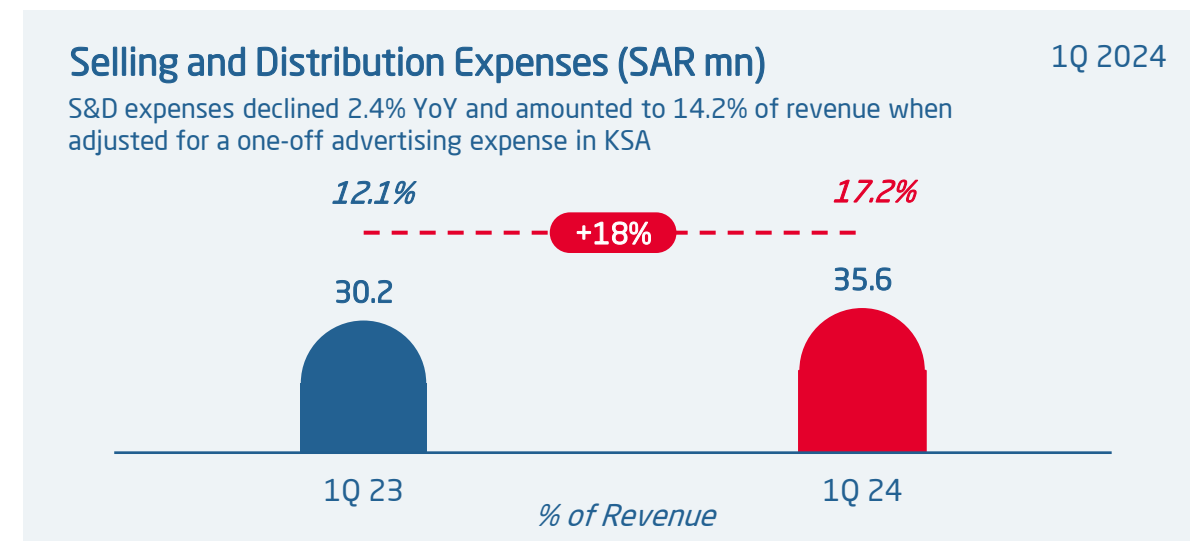
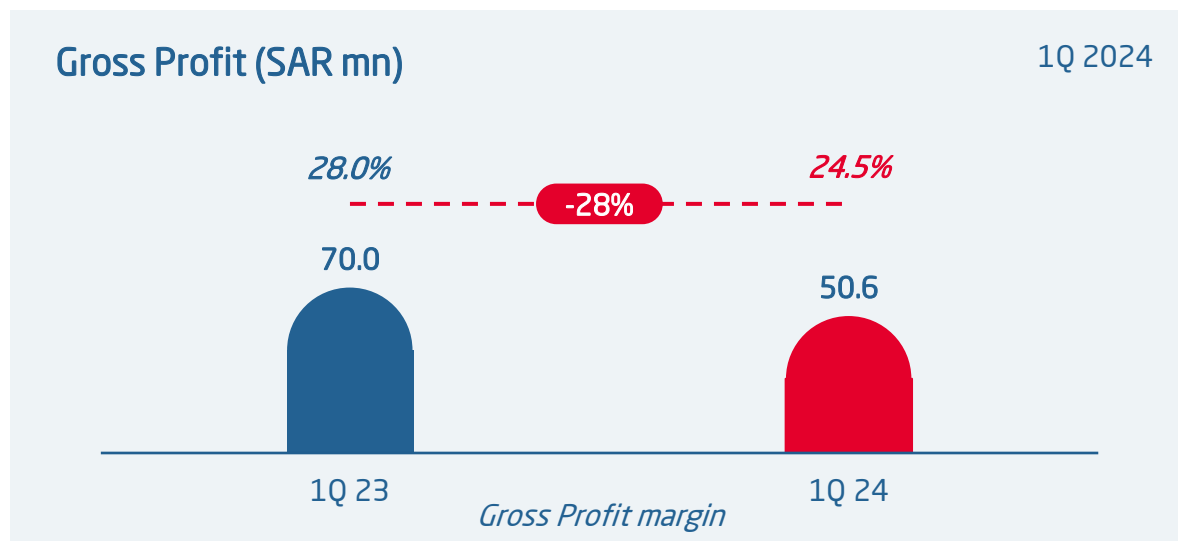


### Revenue geographical mix 1Q 2024

- KSA
- Other GCC & Levant
- North Africa



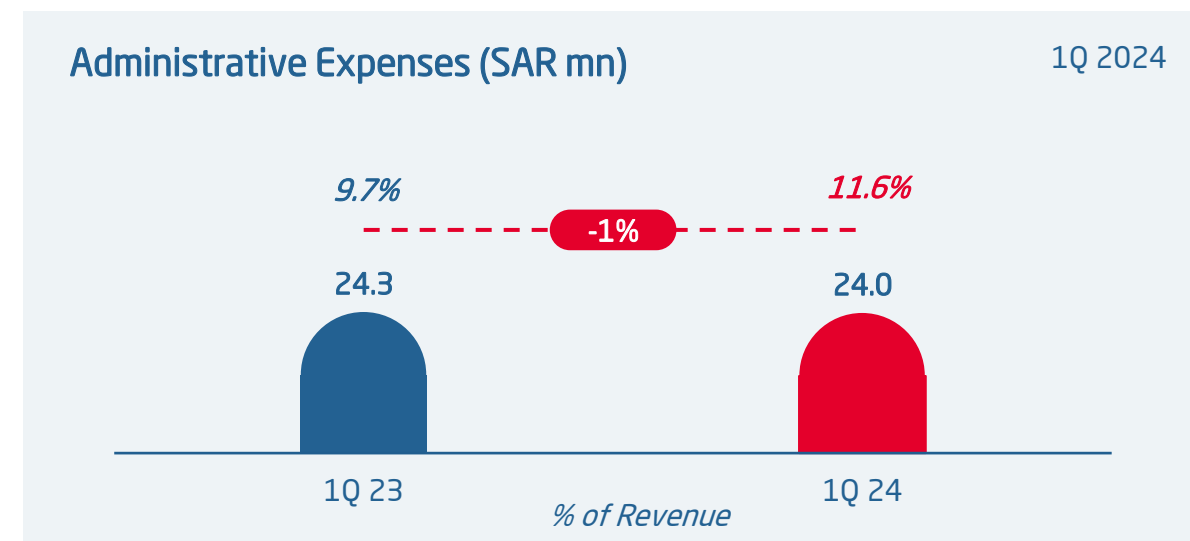
1Q 2024 revenue was affected by:  
Continued geopolitical turbulence in the region.  
Ramadan seasonal impact, as Ramadan in 2024 shifted to an earlier date in Q1 compared to 2023.

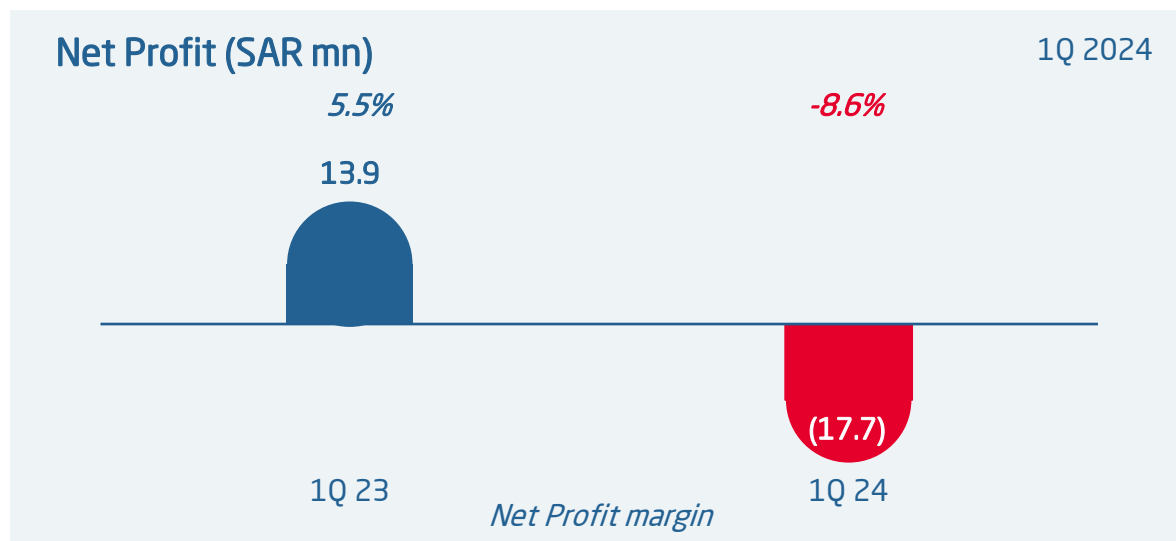


**Gross Profit**  
 Direct food cost as a % of sales improved by around 1.5 ppt driven by normalization of input unit cost. Direct food cost comprises around 40% of cost of sales.  
 Along with the decreased sales, direct food cost improvement was more that offset by the negative impact from other quasi-fixed items i.e., salaries, depreciation, utilities, etc.

**Selling & Distribution Expenses**  
 The increase was due to a one-off advertising expense of around SAR 6mn to improve Domino's brand awareness in Saudi Arabia.  
 Excluding the non-recurring cost, S&D expense remained stable YoY in 1Q24.

**Administrative Expenses**  
 1.2% decline YoY was driven by cost management mainly related to structure and overheads optimization.





### The net profit performance was affected by:

Negative sales performance due to the continued geopolitical events within the region and Ramadan seasonal shift

Negative operating leverage effect attributable to a growing share of partially fixed cost against decreased sales

Non-recurring costs recognized in 1Q24 included the following items:

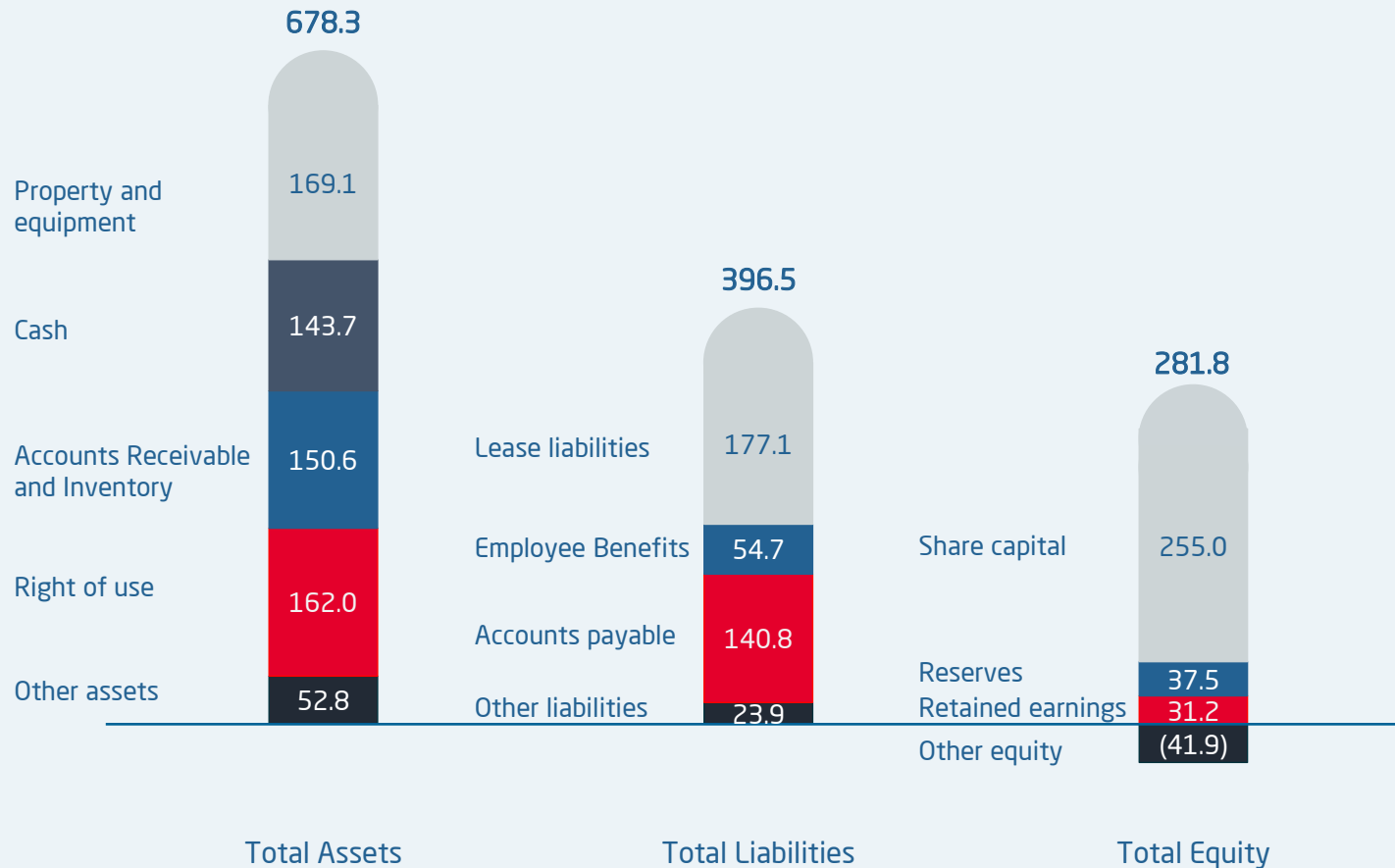
- Advertising expense of SAR 6.2mn to strengthen Domino's brand equity in Saudi Arabia
- Impairment loss on sub-franchised to SAR4.1mn

### EBITDA reconciliation

(SAR mn)	1Q 24
Net Income	(17.7)
Finance cost, net	2.2
Zakat and income tax	1.8
Depreciation & amortization	29.7
Rent	(18.6)
Impairment	0.8
ESOP	0.9
Total	16.8
<b>EBITDA (pre-IFRS 16)</b>	<b>(0.9)</b>
EBITDA margin	-0.4%
Non-recurring items	11.0
<b>Adj EBITDA (pre-IFRS 16)</b>	<b>10.1</b>
Adj. EBITDA margin	4.9%
<b>Adj Net Income</b>	<b>(6.7)</b>
Net income margin	-3.2%

## Group Balance Sheet as of 1Q24 (SAR mn)

4Q 2023



Alamar is debt-free, except for a loan balance in Morocco amounting to SAR 8.6mn, representing 1.3% of assets.

Allocation of 10% of net income was discontinued starting in 2023, according to the Company new approved bylaws.

Receivables provision increased by SAR 4.1m in 1Q24 to SAR 7.9mn. This balance is related to the expected credit loss of a sub-franchised receivable. A repayment schedule has been agreed, whereby the provision would be considered reversible in the coming periods.

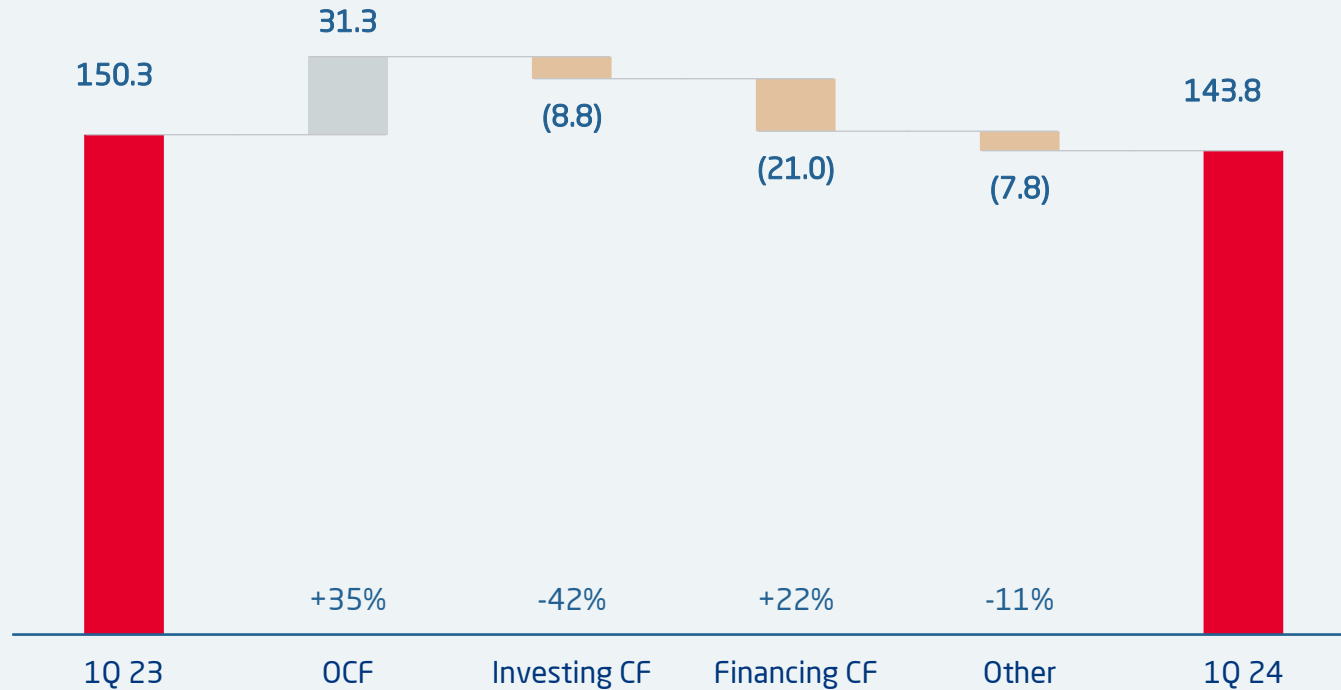
Impairment loss on property and equipment recorded in 1Q24 amounted to SAR 0.8mn, raising the impairment balance to SAR 2.1mn.

### Next steps

Current reserve balance amounting to SAR 21.7mn will be re-assigned to retained earnings, according to the BoD recommendation and is subject to shareholders' approval in the upcoming OGM.

### Cash & Cash Equivalents Movement YoY (SAR mn)

1Q 2024



Investing cash flow is mainly comprised of capex related to property and equipment that accounted for 2.9% of sales.

Financing cash flow includes dividends distribution. Alamar continues to distribute quarterly dividends, as follows:

#### FY 2023

- Dividend per share: SAR 2.1
- Total dividends: SAR 53.1m
- Payout ratio: 94%

#### 1Q 2024

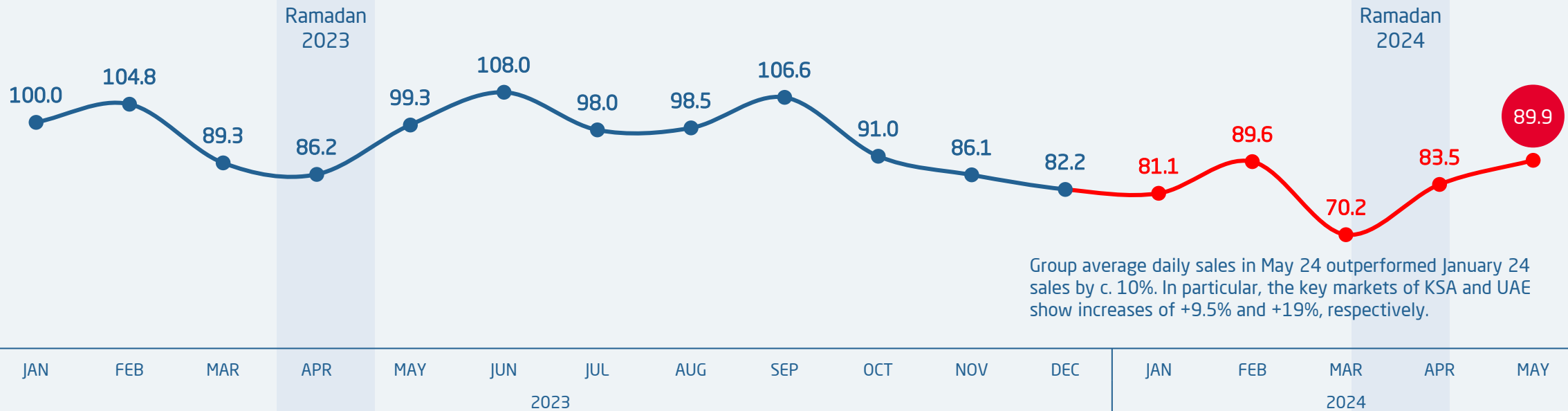
- Dividend per share: SAR 0.4
- Total dividends: SAR 10.1m



# Monthly sales in 2023-24: KSA (+9.5%) and UAE (+19%) exceed January 2024 level



## Average daily sales (January 2023 = 100%)



### 2023 sales trend highlights

Seasonal Ramadan impact during March and April.

Normalized sales levels with relatively higher performance in June and September.

Downturn during 4Q23, starting in the middle of October due to the impact from the regional situation.

### 2024 sales trend highlights

The regional situation continued into 1Q24, specifically in January and February.

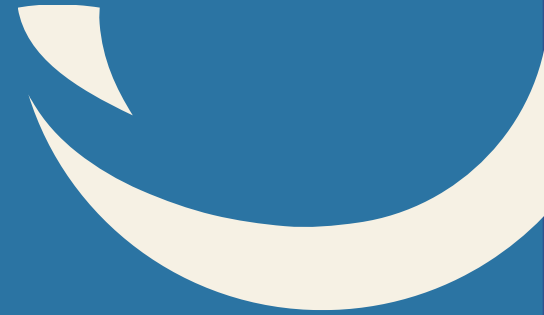
Sales performance recovery began in the second half of February, with significant improvement during the first 10 days of March (the period right before Ramadan).

Seasonal Ramadan impact starting on the 11<sup>th</sup> of March.

Recovery following Ramadan, with sales returning to pre-Ramadan levels.

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# Outlook and Guidance



# We are maintaining Alamar's medium-term guidance through recent market fluctuations



	FY 2023	Forecast	Forecast	2025 to 2027
	Actual	2Q to 4Q 2024	FY 2024	Medium-term guidance
Sales per store <sup>1</sup> Growth %	-12.6%	1%	-4%	3-5% CAGR
Corporate store count <sup>1</sup> Growth %	+5.5%	4%	4%	11-13% CAGR
EBITDA margin <sup>2</sup>	12.5%	16%	13%	19-21%
Capex % of sales <sup>3</sup>	5.5%	5%	4%	5-6%
Dividend payout ratio	94%	65%	94%	70-80%
Leverage <sup>3</sup>	No debt	No expected debt raising	No expected debt raising	No expected debt raising

Notes: 1. Only Corporate Store Count  
 2. Pre IFRS 16  
 3. Does not include any M&A

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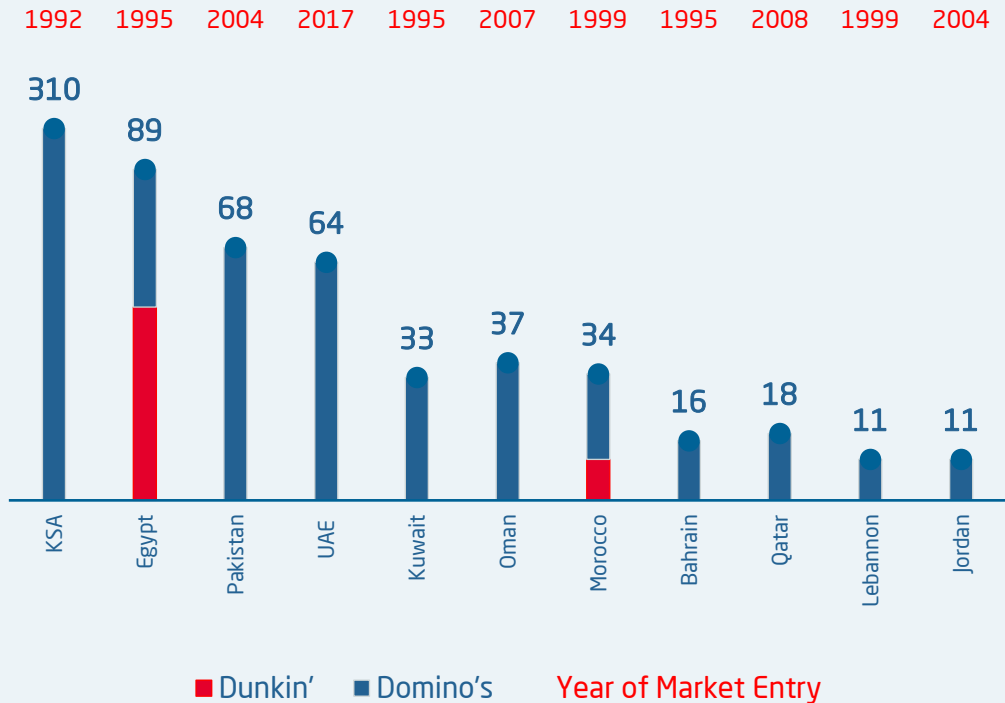
# Appendix



## Store Count by Country and Market Entry Year

1Q 2024

MFA with Domino's assumes non-compete agreement only in pizza segment of QSR market, which provides Alamar with flexibility to explore potential collaboration with other strong brands



## MFA with Domino's and Exclusivity with Dunkin'

Domino's	Dunkin'
Master Franchisee: 16	Master Franchisee: 2
System-wide Stores: 628	System-wide Stores: 63
JV markets: Morocco, Oman	JV markets: Morocco
Sub-franchisee markets: Pakistan, Kuwait	Sub-franchisee markets: N/A
Franchise renewal date: 2037 with 10y extension right	Franchise renewal date: in talks to extend until 2033 with 10y extension right

## Geographies of Operations



# Questions & Answers

