Earnings Presentation

2Q 2024

Agenda for today's Earnings Call

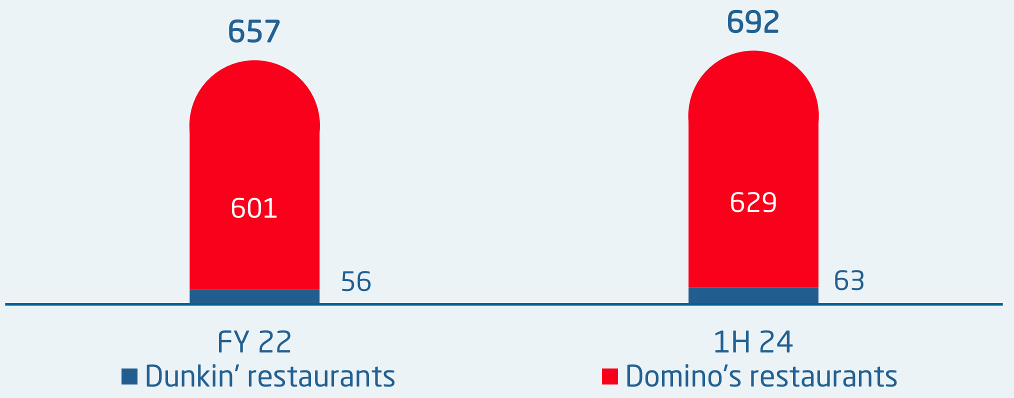
- Alamar at a Glance
- Transformation Update
- Financial Performance
- Outlook and Guidance

Earnings Presentation - 15 August 2024

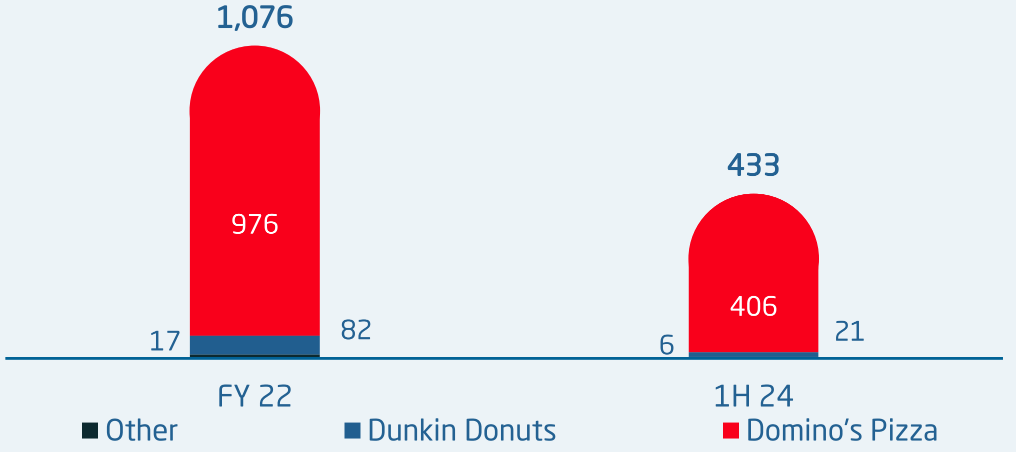
Alamar at a Glance

QSR leader in GCC markets…

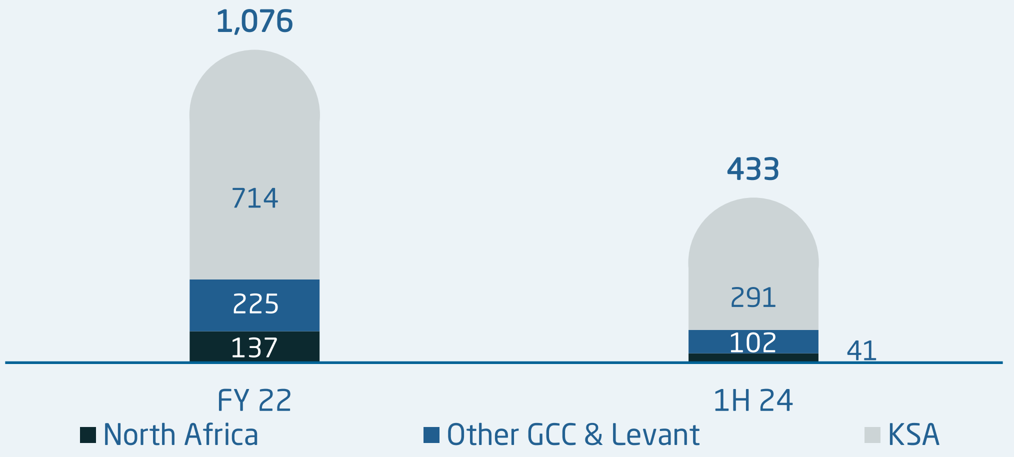
Restaurant Chain Expansion by Brand



Revenue mix by brand (SAR mn)



Revenue geographical mix (SAR mn)

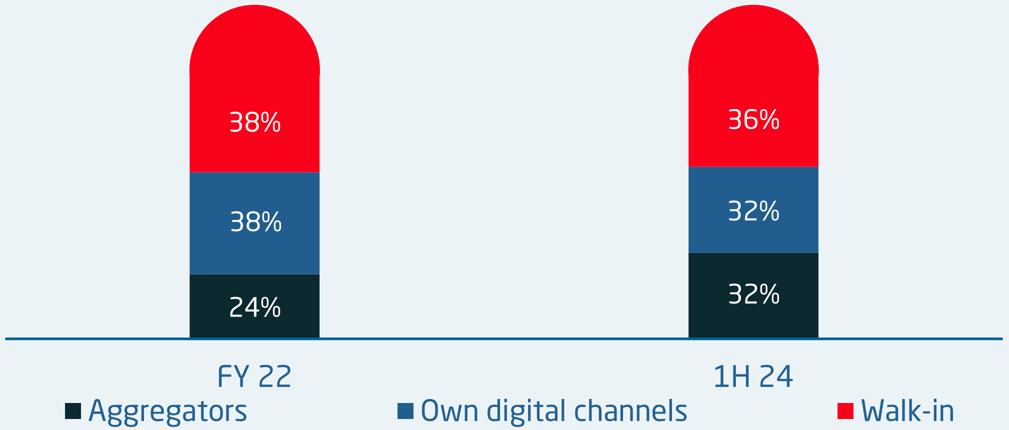


Alamar's 1H 2024 top-line performance was characterized by the following factors:

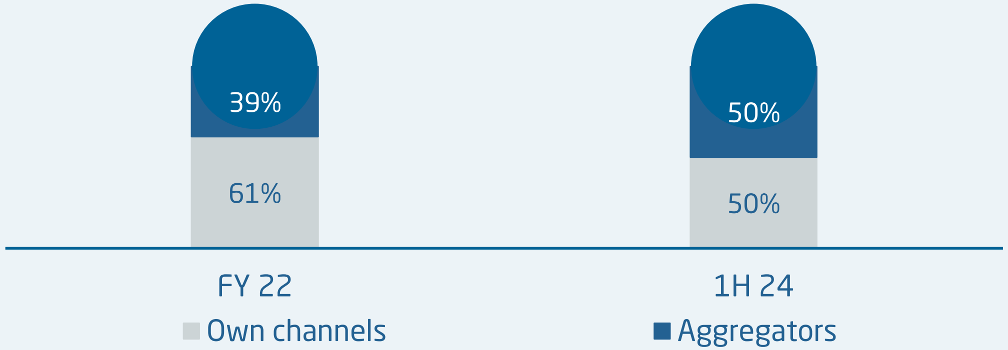
- 94% of the Group's revenue was generated by Domino's Pizza with a strong brand recognition in GCC countries supported by Dunkin Donuts brand popular in North African countries.
- 67% of the Group's revenue came from the KSA market that features lower volatility and healthy fundamentals.
- 88% of the Group's revenue came in currencies pegged to USD.

…with strong digital capabilities, capex-light expansion model and solid cash generation

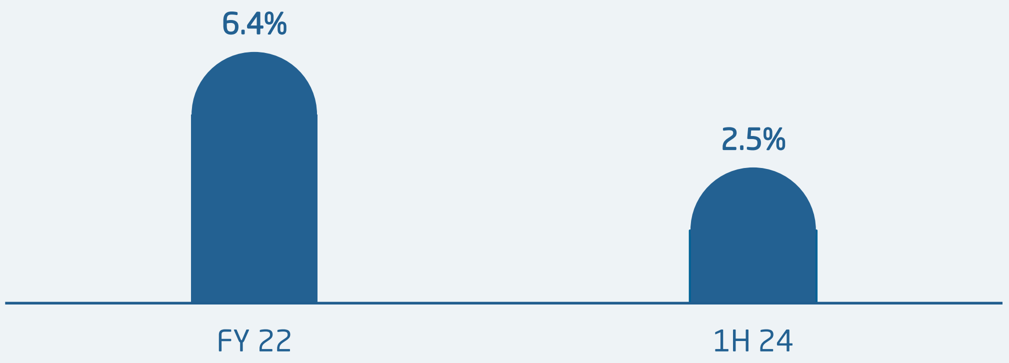
Revenue mix by service method (%)



Digital revenue mix (%)



Capex as a share of revenue (%)



A combination of omnichannel business model and lean capex requirements ensures strong cash generation:

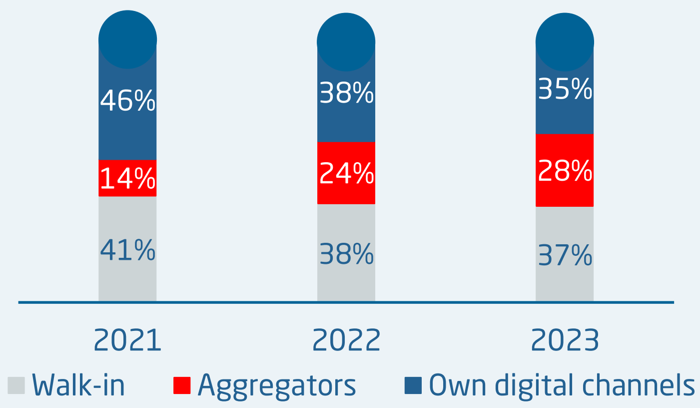
- The Group continues to develop its omni-channel offering, which drives customer experience.
- Digital revenue reached 64% of the total in 1H 2024.
- Own online channels accounted for a half of total online sales in 1H 2024.
- Capex reduction reflected a slower store expansion and 10% lower capex per store requirements.
- This resulted in a consistent cash generation despite pressure on revenue.

Alamar's omni-channel business model addresses latest consumer trends

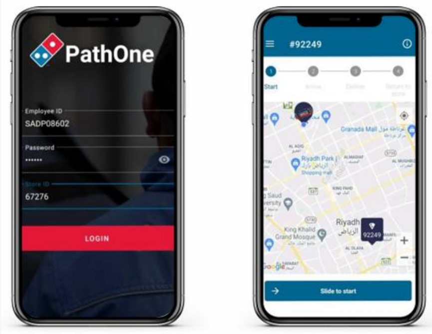
Omni-Channel ordering and multiple service methods address current consumer trends

Omni-Channel order method:		Service method / customer exp.
In-Store	+	In-Store
Call Centre		Takeaway
Aggregators		Delivery
Online		

Revenue split by service method (%)



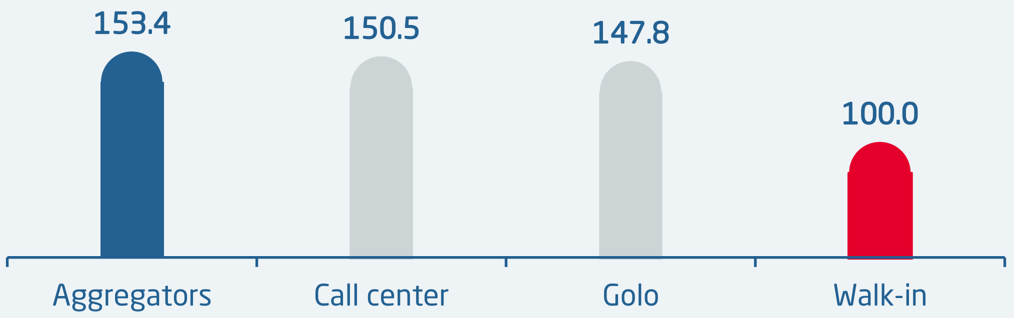
Well-developed delivery and digital infrastructure to support omni-channel offering



ATP in KSA, re-based to walk-in ATP

2Q 2024

ATP in aggregators and Golo continued to increase relative to offline ATP, which was an important driver for ATP QoQ improvements in 2Q 2024



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

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Transformation Update

Running up growth and margins through omnichannel excellence and enhanced marketing and service tools

Growth	New promo mechanism	A new promo campaign was launched in KSA and UAE in May-June 2024 to improve in average basket composition. The preliminary results are encouraging showing 53% higher number of items per basket and 38% higher average transaction price.
	Stores relocation	A plan to relocate over 30 stores in KSA to achieve significant improvements in their performance.
	New stores	Resumption of the store opening program with a focus on attractive ROI and payback profiles. A pipeline of 17 new stores in KSA and UAE is secured for 2H24.
Margins	Delivery optimization	Delivery orders to be executed by third-party drivers vs. in-house delivery before. This will convert delivery into variable cost, reduce delivery time and result in 70% cost reduction compared with own delivery. The initiative will cover at least 62% of KSA stores by mid August.
	Overheads management	Streamlining business processes and improved control measures, enabling headcount reduction and labor cost savings.
Customer Experience	Own digital channels	Introduction of functionality improvements in GOLO, including seamless ordering process, drivers' tracking, enhanced payments, and convenience.
Customer Engagement and Loyalty	Cashback	Fine-tuning of cashback offer with 35% redemption rates.
	E-wallet	E-wallet was enhanced providing customers with features like purchase credits and gift cards.
	Integration of loyalty program	Alamar loyalty program was connected with various partners, including banks, which is an important stride towards brand building.

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Financial Performance

2Q 2024 financial performance highlights

226mn

SAR

Revenues

-10% YOY

27mn

SAR

Adj. EBITDA

-20% YOY

13mn

SAR

Net Profit

-25% YOY

692

Total Restaurants

+3% YOY

11.9%

Adj. EBITDA Margin

-1.4 ppts YOY

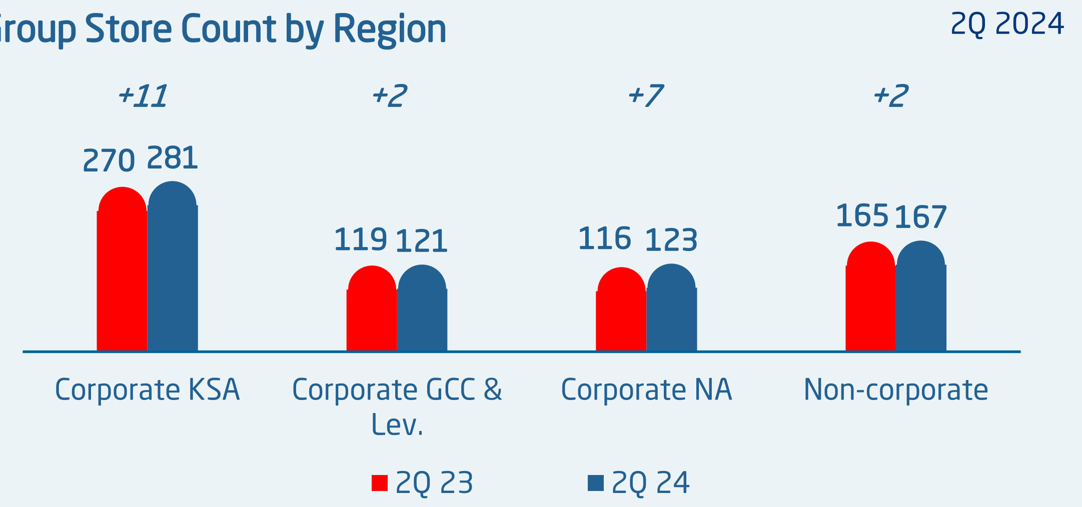
34%

FCF Conversion

-60.2 ppts YOY

Corporate stores represent 76% of the total system-wide footprint as of June 2024

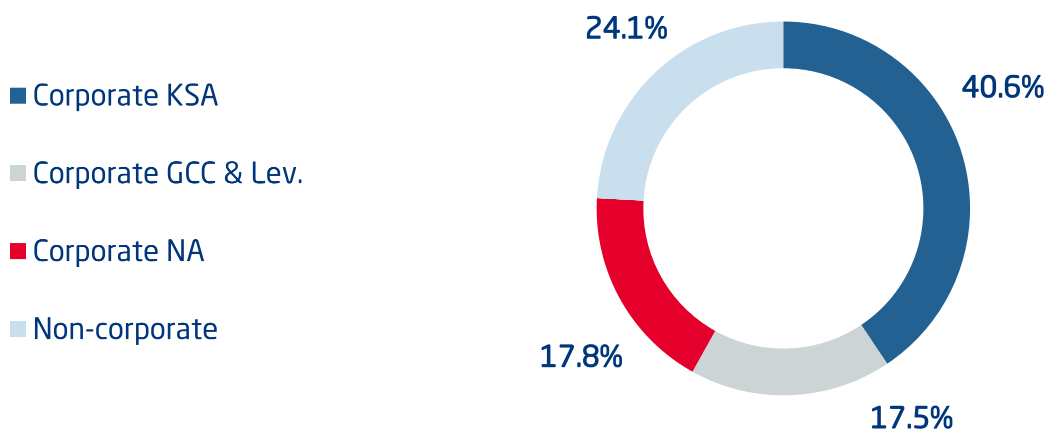
Group Store Count by Region



Group Store Count by Brand

Brand	2Q 23	2Q 24	YoY Change
Domino’s	611	629	+18
Dunkin’	59	63	+4
Total	670	692	+22

Group store count by region



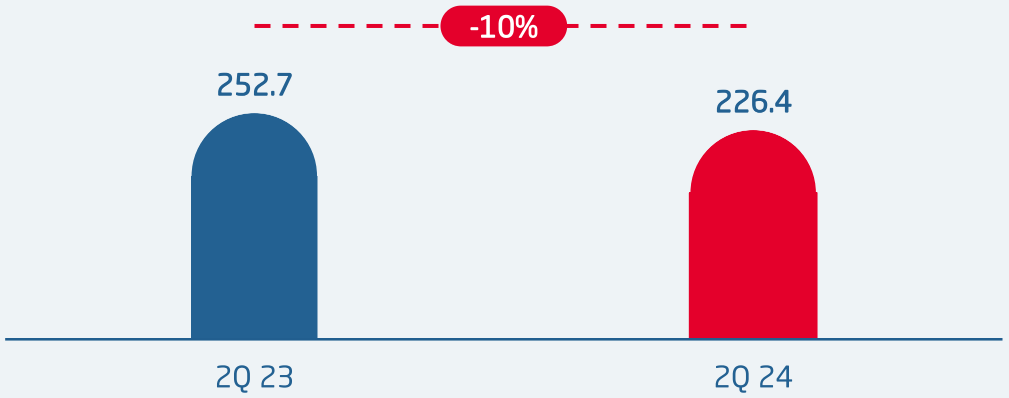
Group Store Count by Type

Type	2Q 23	2Q 24	YoY Change
Corporate	505	525	+20
Non-Corporate	165	167	+2
Total	670	692	+22

The pace of top-line decline YoY diminished in 2Q 2024 with a QoQ revenue increase

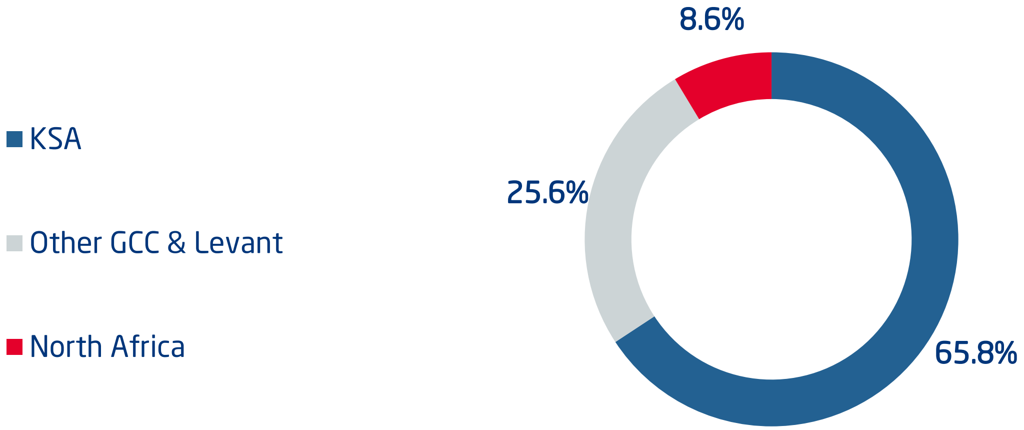
Revenues (SAR mn)

2Q 2024



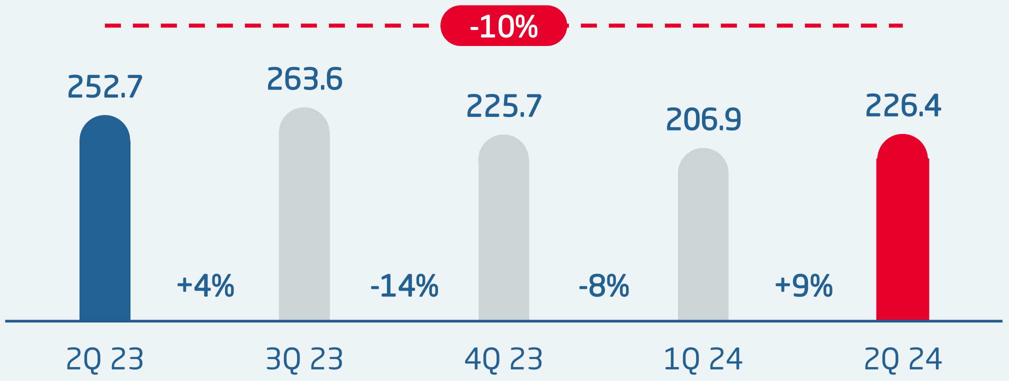
Revenue geographical mix

2Q 2024



Revenues (SAR mn)

2Q 2024



Share of 2Q 2024 revenue in stable currency

88%

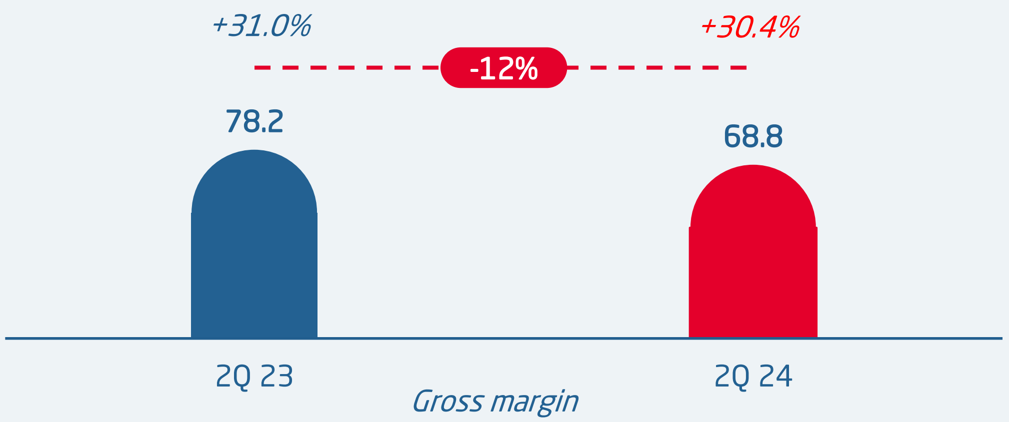
2Q 2024 revenue performance was affected by:

- Continued effect of geopolitical tensions in the region.
- The reversal of Ramadan seasonality shift.
- Stronger market performance in KSA and UAE.
- Alamar's marketing initiatives.

An increase in S&D expenses was offset by G&A cost savings

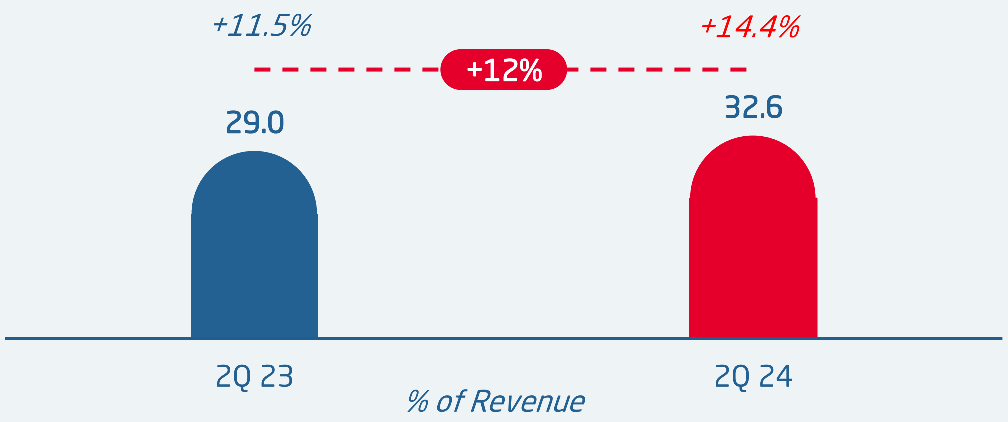
Gross Profit (SAR mn)

2Q 2024



Selling and Distribution Expenses (SAR mn)

2Q 2024



Gross Profit

A drop in material costs and improved labor productivity were offset by deliberate investments in prices and marketing initiatives, which translated into gross margin of 30.4% in 2Q 2024, down 0.6pp YoY.

Selling and Distribution Expenses

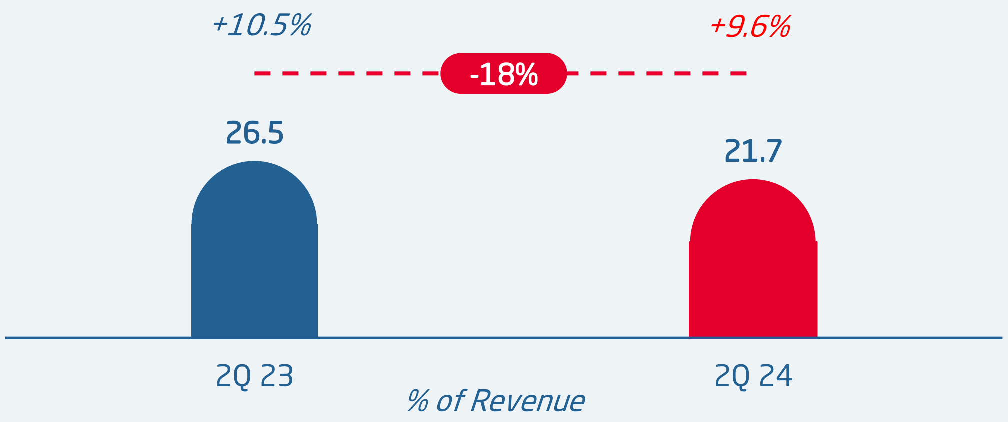
Selling and distribution expenses grew 12.3% YoY in 2Q 2024 and accounted for 14.4% of revenue vs. 11.5% a year ago. The growth was mostly driven by advertising costs aiming at strengthening Domino's brand recognition in Saudi Arabia and other key markets, in addition to the increase in aggregator commission driven by the increased share of aggregator sales in the mix.

Administrative Expenses

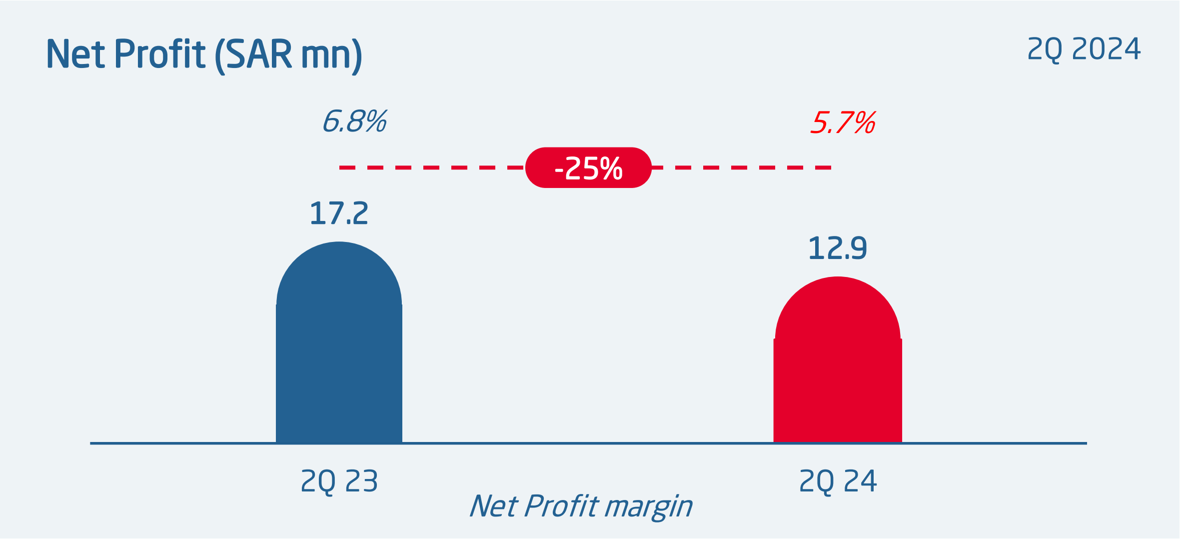
Administrative expenses declined 18% YoY in 2Q 2024 and accounted for 9.6% of revenue vs. 10.5% a year ago. The improvement was driven by efficiency gains mainly related to corporate costs and overheads optimization.

Administrative Expenses (SAR mn)

2Q 2024



Net profit performance was affected by operating leverage effect, advertising costs and one-off items



The net profit performance in 2Q 2024 was affected by:

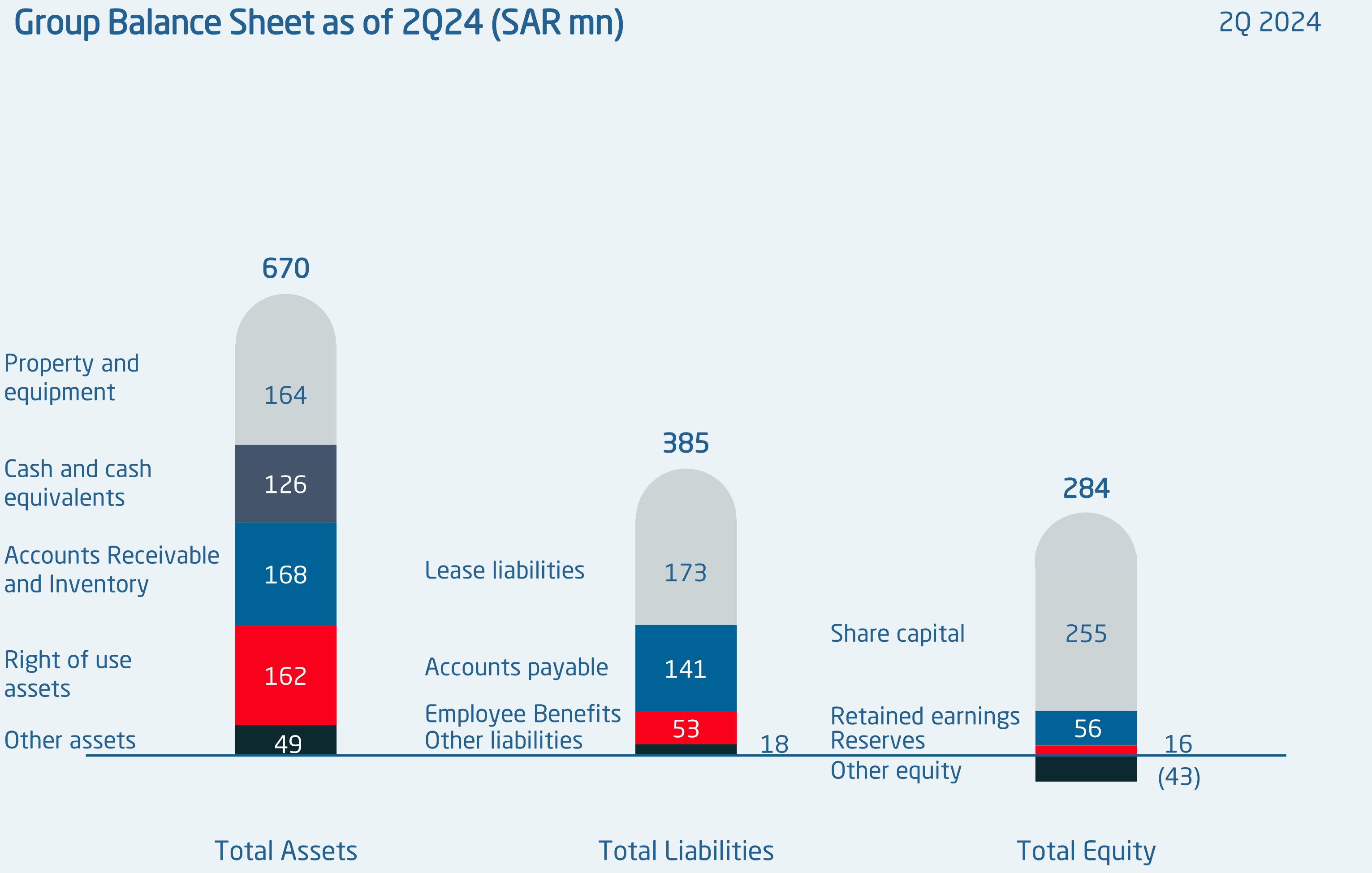
- Negative sales performance due to the continued geopolitical tensions in the region.
- The impact of the currency devaluation in Egypt
- Negative operating leverage effect attributable to a still elevated share of quasi fixed costs amid lower revenue.
- The decline in net income is partially offset by the positive impact from operational efficiency improvement aimed at creating a more agile cost structure and better balance between variable and fixed costs. The positive impact is targeted to further materialize in the coming periods with direct improvement for the bottom line along with the sales recovery.

EBITDA reconciliation

(SAR mn)	2Q 2024
Net Income	12.9
Finance cost, net	1.9
Zakat and income tax	2.8
Depreciation & amortization	26.6
Reported EBITDA (IFRS 16)	**44.2**
EBITDA margin	*19.5%*
Rent	(17.9)
ESOP	0.6
Adj EBITDA (pre-IFRS 16)	**26.9**
Adj. EBITDA margin	*11.9%*

Alamar maintains a robust balance sheet and a healthy financial position

Group Balance Sheet as of 2Q24 (SAR mn)



Alamar maintains a robust balance sheet with net cash position of SAR 119.2mn as of end of June 2024.

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

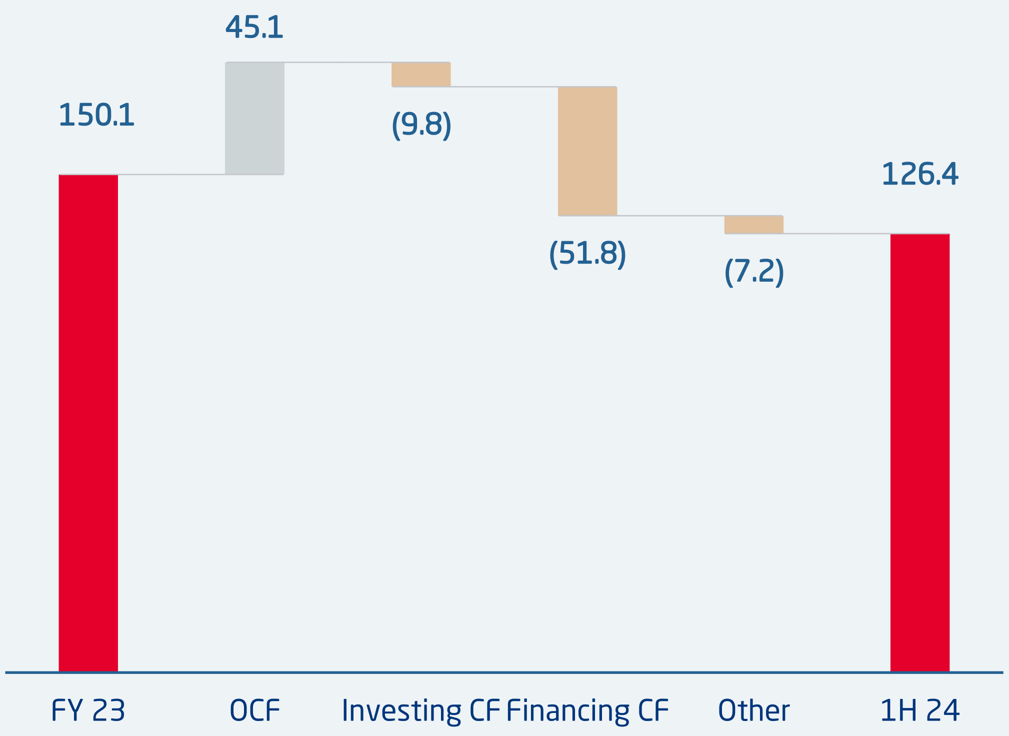
Receivables provision amounted to SAR 7.8mn in 1H24. This balance is related to the expected credit loss of a sub-franchised receivable. A repayment schedule has been agreed, whereby the provision would be considered reversable in the coming periods.

The reserve balance of SAR 21.7mn was re-assigned to retained earnings in 2Q24.

Strong FCF generation supported increased quarterly dividends

Cash & Cash Equivalents Movement YTD (SAR mn)

1H 2024



Operating cash flow decreased by 36% YoY to SAR 45.1mn in 1H 2024, broadly in line with the 38% YoY decline in EBITDA.

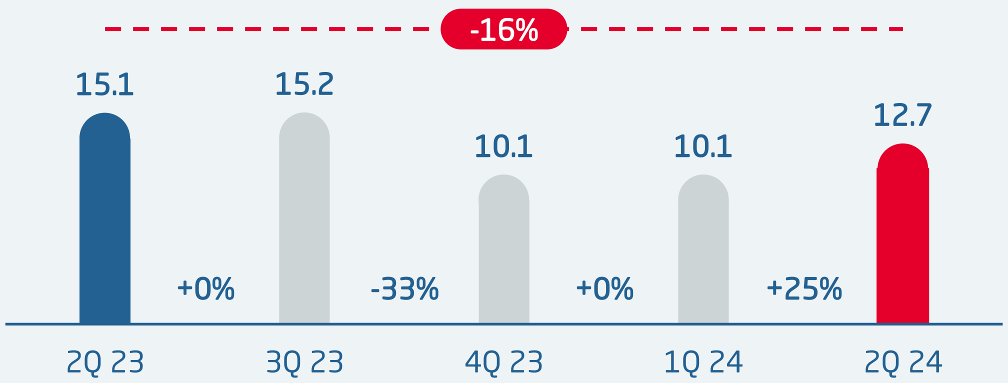
Capital expenditures amounted to SAR 10.8mn in 1H 2024, down 65% YoY, and accounted for 2.5% of revenue. This reflected a slower pace of store expansion in 1H 2024 vs. a year ago.

Financing cash flow in 1H 2024 included SAR 10.1mn dividends distribution for 1Q 2024.

In August 2024, Alamar's BoD decided to distribute SAR 12.7mn dividends for 2Q 2024 in September 2024, marking a 25% increase QoQ.

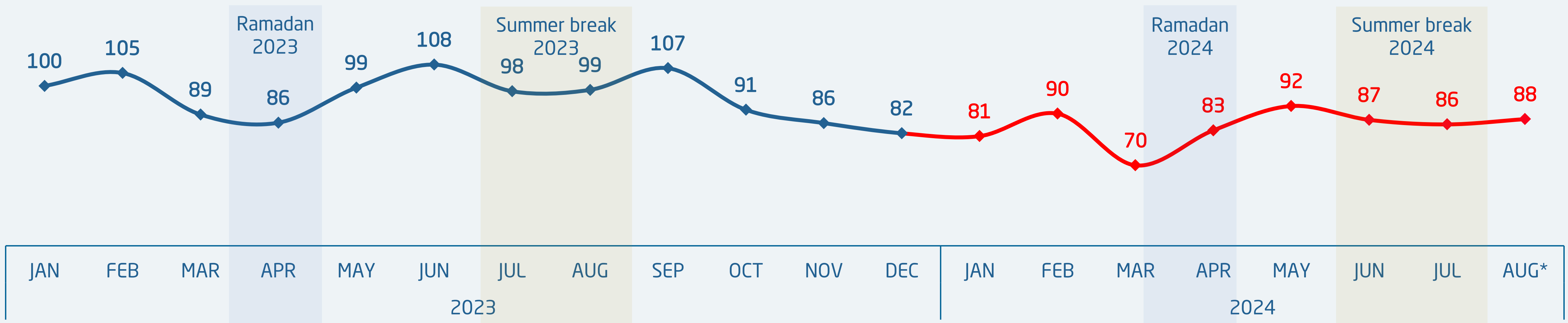
Dividends, Net (SAR mn)

2Q 2024



Monthly sales show tentative recovery in 2Q24 driven by decent performance in KSA and UAE

Average daily sales - Group (January 2023 = 100%)



2023 sales trends

- 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 trends

- The regional situation continued to weigh on revenue in 1H24.
- In 2024, Ramadan started earlier than in 2023, resulting in a deeper revenue decline in 1Q 2024 followed by a recovery in April and May.
- Summer break started in June, which negatively affected sales. This should reverse in the second half of August with the back-to-school season.
- UAE and KSA generally outperform other markets, showing a slower pace of decline.

* August figures are based on the first ten days of the month

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Outlook and Guidance

We keep our FY24 guidance and medium-term targets intact

	FY 2023	1H 2024	Forecast	2025 to 2027
	Actual	Actual	FY 2024	Medium-term guidance
Sales per store[1] Growth %	-12.6%	-17.0%	-4%	3-5% *CAGR*
Corporate store count[1] Growth %	+5.5%	+4.0%	4%	11-13% *CAGR*
EBITDA margin[2]	12.6%	8.5%	13%	19-21%
Organic capex % of sales	5.5%	2.5%	4%	5-6%
Dividend payout ratio	94%	N/M[3]	94%	70-80%
Leverage[4]	No debt	No debt	No expected debt raising	No expected debt raising

Notes:
1. Only Corporate Store Count
2. Pre IFRS 16
3. Due to net loss in 1H 2024
4. Except for the insignificant Moroccan revolving credit line. Does not include any M&A

Questions & Answers