



# Year 2023 Earnings Call

Wed 3 Apr 2024

2:00 pm KSA time



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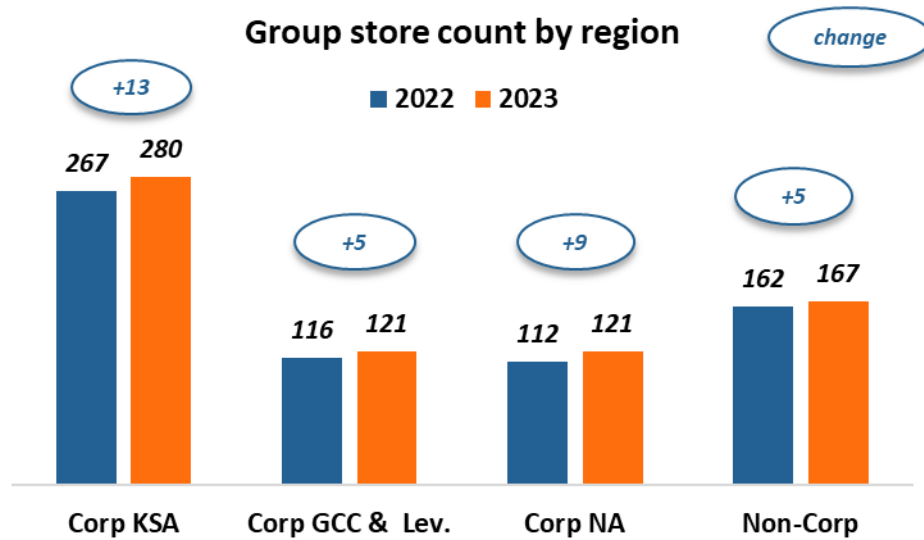
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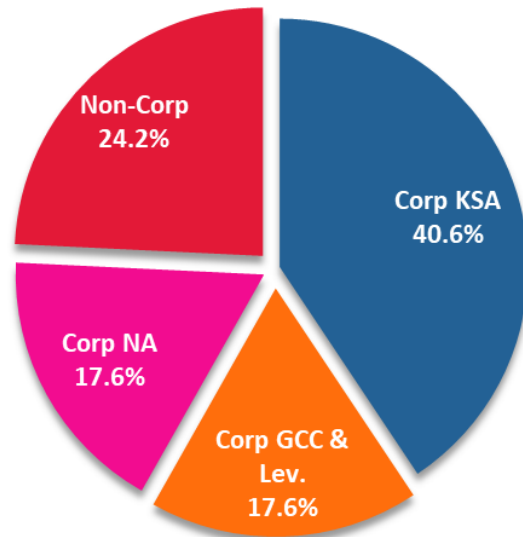
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## Group store count by region



| Group Store counts by brand |            |            |            |
|-----------------------------|------------|------------|------------|
| Brand                       | 2022       | 2023       | Δ          |
| Dominos                     | 601        | 627        | +26        |
| Dunkin                      | 56         | 62         | +6         |
| <b>Total</b>                | <b>657</b> | <b>689</b> | <b>+32</b> |

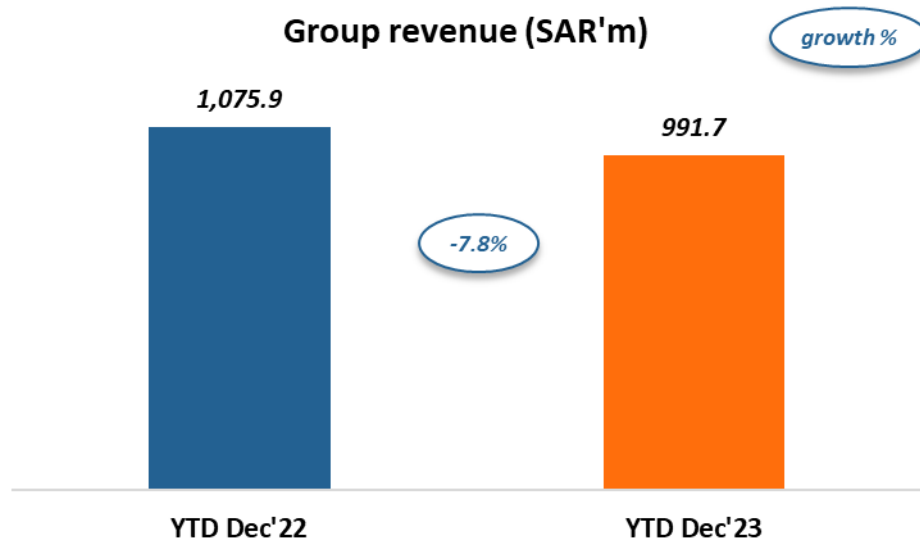
## YTD Dec'23, Stores count by region



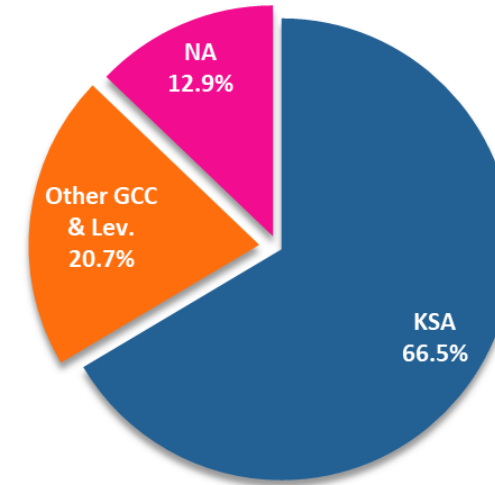
| Store counts by type |            |            |            |
|----------------------|------------|------------|------------|
| Type                 | 2022       | 2023       | Δ          |
| Corporate            | 495        | 522        | +27        |
| Non-Corporate        | 162        | 167        | +5         |
| <b>Total</b>         | <b>657</b> | <b>689</b> | <b>+32</b> |

- Total store count in KSA (including Corporate and sub-franchised) is 309 stores.

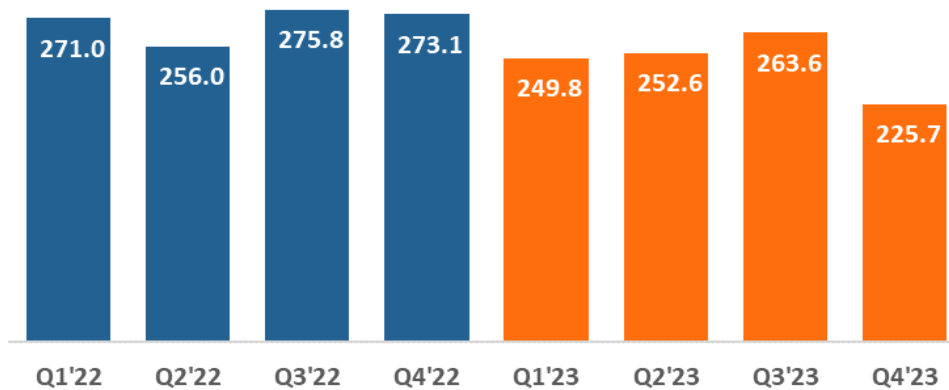
Group revenue (SAR'm)



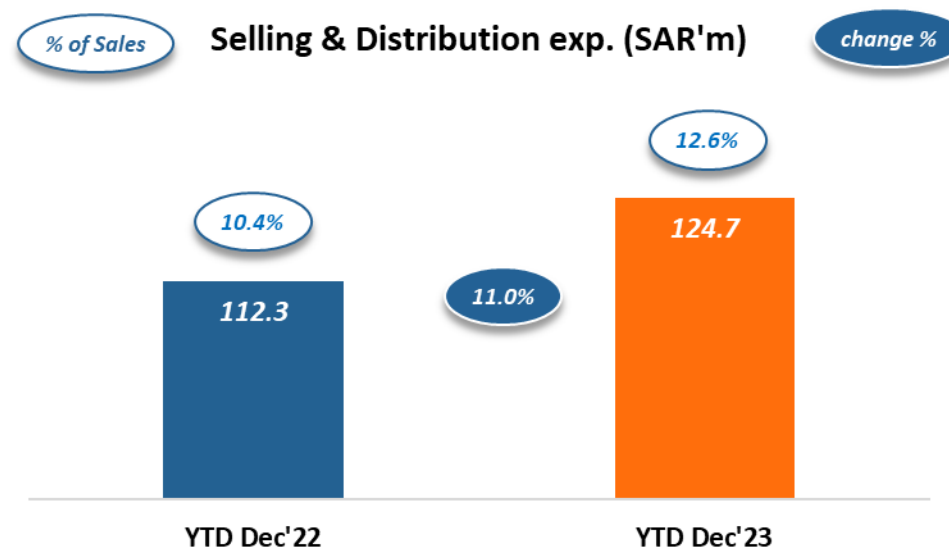
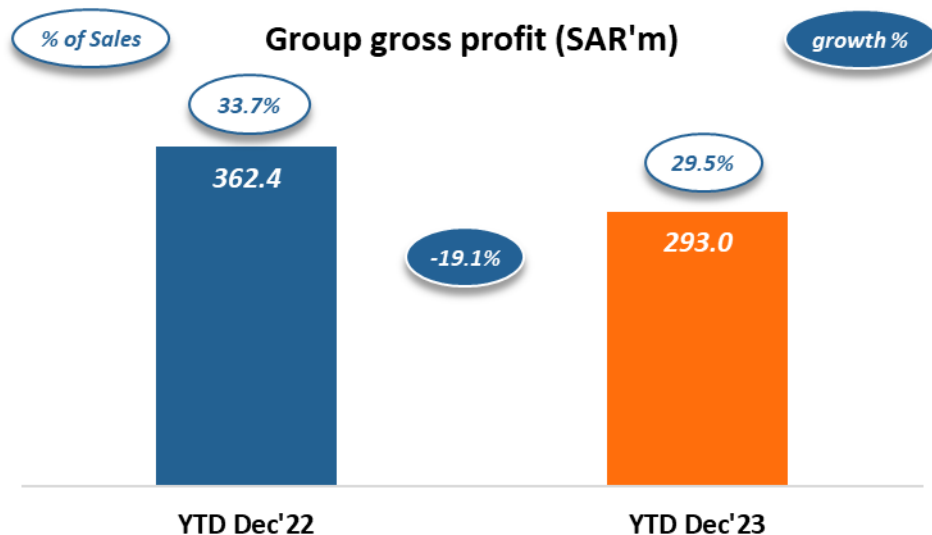
YTD Dec'23, Revenue by region



Sales (SAR'm)



- Adjusted sales growth rate stands at 0.2%, excluding the following:
  - Fx devaluation from Egypt and Lebanon amounting to SAR 77 million.
  - Absence of sales from EXPO Dubai amounting to SAR 9 million.
- Sales was adversely affected in the fourth quarter due to recent regional geopolitical tensions.



## Gross Profit

Decrease as a % of sales due to easing inflationary headwinds with cost improvements that are expected to materialize and continue in coming periods.

## Selling & Distribution Expenses

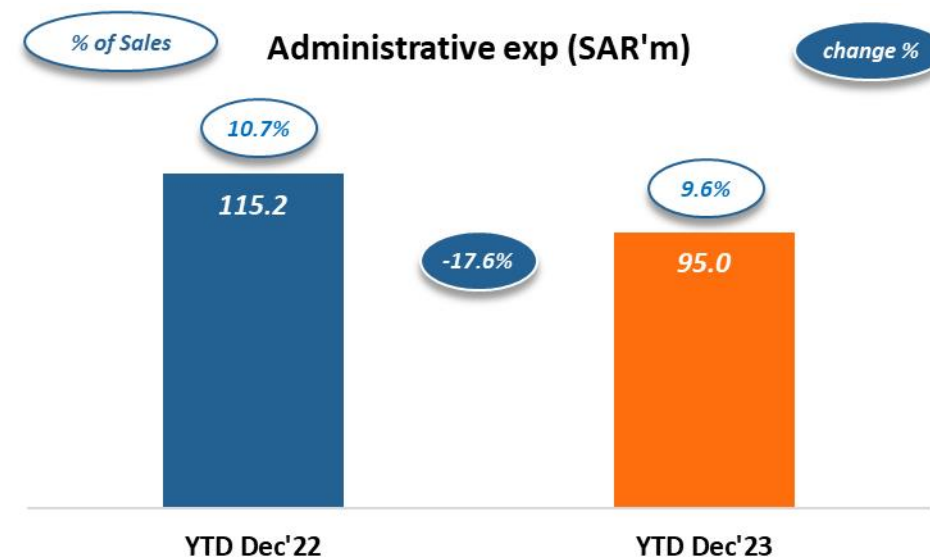
Increase in marketing activities and campaigns (i.e., outdoor, influencers, social media, others), and increase in aggregator commission pertaining to the growth in aggregators sales mix by around 3 pts.

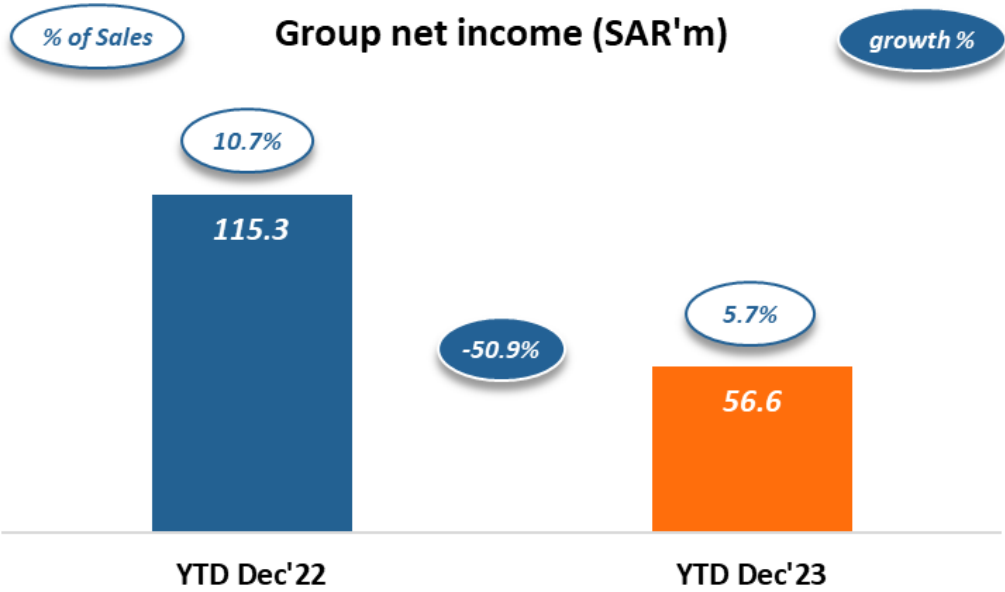
## Administrative Expenses

Notable decrease in payroll expenses due to structural review resulting in optimized organizational frameworks.

## Total Operating Expenses (S&D and Admin)

Reduction in costs, approximately 3.5%, as a reflection of our continued commitment to efficient cost management practices.





The net profit is driven by sales performance, which includes the effects of currency devaluation and Expo Dubai, combined with easing inflationary pressures, and the recent geopolitical events within the region.

**EBITDA reconciliation**

| (SAR'm)                     | YTD Dec'23 |
|-----------------------------|------------|
| Net Income                  | 56.6       |
| Finance cost, net           | 10.1       |
| Zakat and income tax        | 13.5       |
| Depreciation & amortization | 112.4      |
| Rent                        | (75.1)     |
| ESOP                        | 6.8        |
| Total                       | 67.6       |
| EBITDA (pre-IFRS 16)        | 124.2      |
| EBITDA margin               | 12.5%      |

## Group BS as of 31 Dec 2023

SAR'm

**Total Assets**  
**719.0**

Other assets 43.7

Cash  
150.1

Accounts Receivable &  
Inventory  
165.5

Right of use assets  
176.4

Property and equipment  
183.4

**Total Liabilities**  
**398.6**

Other liabilities 19.9

Employee benefits 51.9

Accounts Payable  
132.4

Lease Liabilities  
194.5

**Total Equity**  
**320.4**

Reserves 36.8

Retained earnings 56.0

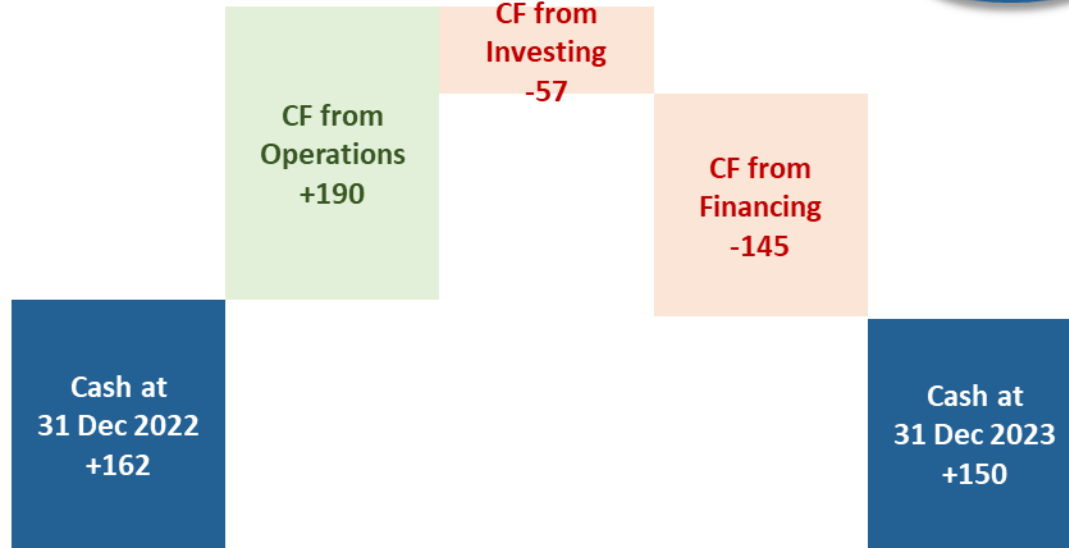
Capital  
255.0

Other equity (27.4)

- Alamar maintains a stable balance sheet and a healthy financial position.
- Alamar is debt-free, except for a loan balance in Morocco amounting to SAR 4.8m, representing 0.7% of assets.
- Other assets mainly include Goodwill, intangible assets, as well as dues from related parties.
- Other liabilities is mainly comprised of provision for zakat and tax, and dues to related parties.
- Other equity is mainly comprised of foreign exchange translation reserve, non-controlling interest and treasury shares.
- Allocation of 10% of net income was discontinued starting year 2023 according to the Company new approved bylaws. Current reserve balance is the amount accumulated from previous years, and the Company considers re-assignment of the balance to retained earnings.
- For the year 2024, Alamar received support from Domino's brand in the form of partial fees deferral through repayment in first half of 2025, which is only applicable to specific group markets, that are considered the relatively smaller markets.

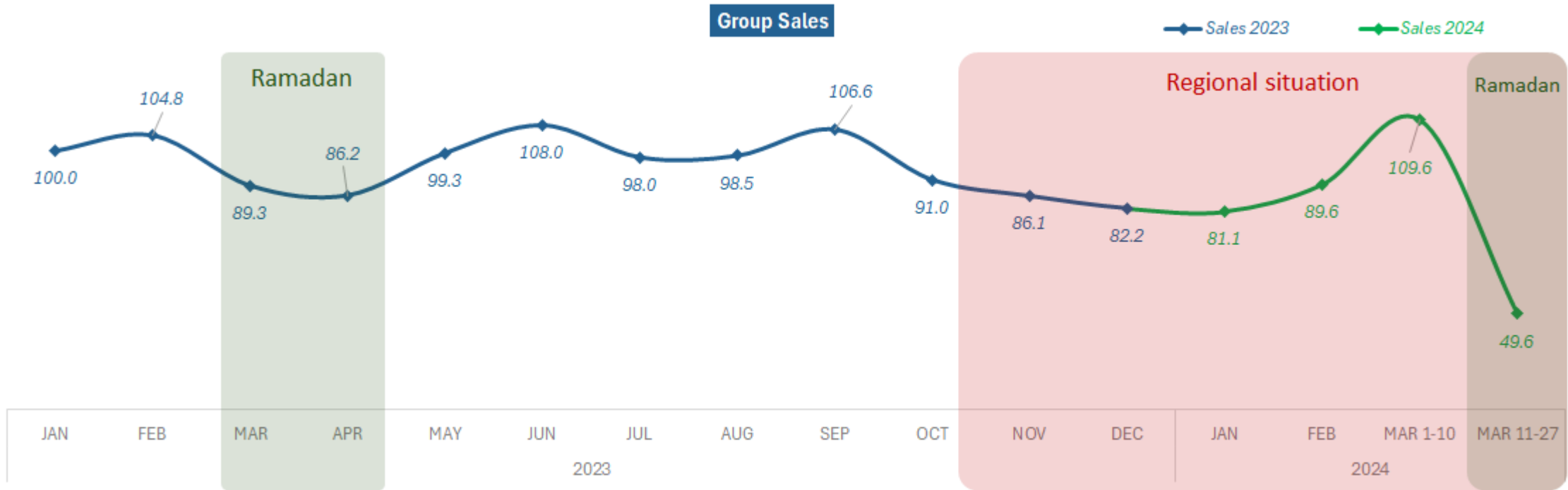
## Group Cash Flows YTD Dec 2023

SAR'm



- Net cash generation from operating activities amounted to SAR 190 million in the current year, with an EBITDA conversion ratio of 152%.
- Investing cash outflow is mainly comprised of capex related to property and equipment amounting to SAR 48 million and representing 4.8% of sales.
- Financing cash outflow includes dividends distribution during year 2023. Alamar distributed quarterly dividends with a payout ratio of 94%, resulting in SAR 2.1 annual dividends per share.





- Sales trend is re-based to 100 starting first month (i.e., Jan 2023).
- Year 2023 went through the following major trend changes:
  - Seasonal Ramadan impact during months of Mar and Apr.
  - Normalized sales levels with relatively higher performance in months of Jun and Sep.
  - Downturn during Q4, starting mid of Oct, due to the impact from the regional situation.
- Year 2024 sales highlights so far:
  - Impact of the regional situation extended to months of Jan and Feb.
  - Sales performance recovery starting second half of Feb, with significant improvement during the first 10 days of Mar (period right before Ramadan), recording the highest average daily sales among the last 14 months.
  - Seasonal Ramadan impact starting 11<sup>th</sup> of Mar.

| Impact intensity - Alamar Markets<br>(Q4 vs Q3, avg. daily sales) |  |                                   |
|---|--|-----------------------------------|
| Low impact<br>(<15%)  | Medium impact<br>(between 15-30%)      | High impact<br>(>30%)             |
| KSA<br>UAE<br>Pakistan  | Lebanon<br>Qatar<br>Bahrain<br>Morocco | Egypt<br>Jordan<br>Kuwait<br>Oman |
| 2023 revenue share (corporate markets only)                       |  |                                   |
| 81%   | 10%                                    | 9%                                |

\* Impact intensity is the downward impact % on average daily sales in Q4 vs Q3.

\* Overall, on group level, Q4 sales were nearly 15% lower than Q3 due to the regional situation impact.

\* Non corporate markets (i.e., not consolidated) are: Pakistan, Kuwait, and Oman as a joint venture.

THANK YOU

