

ودام الغذائية
widam food

INVESTORS CONFERENCE CALL

For the year ended 31 December 2019

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ABOUT US

Widam Food Company Q.P.S.C. (the “Company”) was incorporated in accordance with the Resolution No. 75 of 2003 issued by the Minister of Economy and Finance of the State of Qatar as a Qatari Public Shareholding Company, and was registered at the Ministry of Economy and Commerce of the State of Qatar with the Commercial Registration No. 26911 dated 16 December 2003. The Company is domiciled in the State of Qatar, where it also has its principal place of business. Its registered office is at Second floor, QFB Building, Suhaim bin Hamad street, Al Saad, Doha.

The Company’s principal activities include the import and trade of livestock, meat and feeds. In addition the Company is engaged in the slaughter of sheep and cattle and supplying the local market with fresh meat and related products

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FINANCIALS RESULTS

Financial Performance Overview	Dec-19	Dec-18	Variance	Variance
	QR'000	QR'000	QR'000	%
For the nine month ended 31 December 2019				
Revenue	547,638	515,916	31,722	6%
Cost of sales	(881,571)	(933,980)	52,409	-6%
Government compensation	480,077	565,725	(85,649)	-15%
Gross Profit	146,144	147,662	(1,518)	-1%
Other income	213	4,974	(4,761)	-96%
Loss from change in fair value less costs to sell of biological assets	504	992	(487)	-49%
General and administrative expenses	(59,170)	(54,611)	(4,558)	8%
Operating Profit	87,691	99,016	(11,324)	-11%
Profit received from bank deposit	10,486	10,677	(191)	-2%
Foreign exchange gain	336	(28)	365	-1284%
Profit for the period from continuing operations	98,513	109,664	(11,151)	-10%
Discontinued operation:				
Loss from discontinued operation	(20,122)	(1,271)	(18,851)	-100%
Profit for the period	78,391	108,393	(30,002)	-28%
Earnings per share - continuing operations	0.55	0.61	(0.06)	-10%
Basic and diluted earnings per share	0.44	0.60	(0.17)	-28%

The net profit of the Company for the year ended 31 December 2019 has decreased by around 28% as compared the year ended 31 December 2018.

Net profit of the Company decreased mainly due to:

Loss from discontinued operations of biological assets amounting to QR 20.1 million in the current year.

Decrease in the quantity sold of Australian Meat in the current year which have resulted in a decrease in the Government Compensation from QR 565.7 million to QR 480 million.

During 2019, the company has carried expenses to move from automated slaughterhouse (Operation centre) to other location.

Total revenue of the Company for the year ended 31 December 2019 have increased by around 6% as compared to 31 December 2018.

Total revenues are increased mainly due to:

Increase in the selling price of subsidized meat from QR 14 per kg to QR 16.5 per kg with effect from 1 February 2019.

Increase in revenue is major due to the increase in the subsidized meat from QR 14 per kg to QR 16.5 per kg with effect from 1 February 2019.

Decrease in cost of sales is due to the decrease in the quantity sold during the current year as compared to last year. The cost of goods sold is decrease by QR 56.6 million in the current year.

Decrease in Government Compensation is due to the decrease in the quantity sold of subsidized Australian meat.

The huge decrease in other income is majorly due to the reason that last year the Company has transferred QR 3 million from calculation in government compensation related to 2015 to other income. Further, the Company has recorded a gain of QR 0.5 million on disposal of fixed assets during the last year.

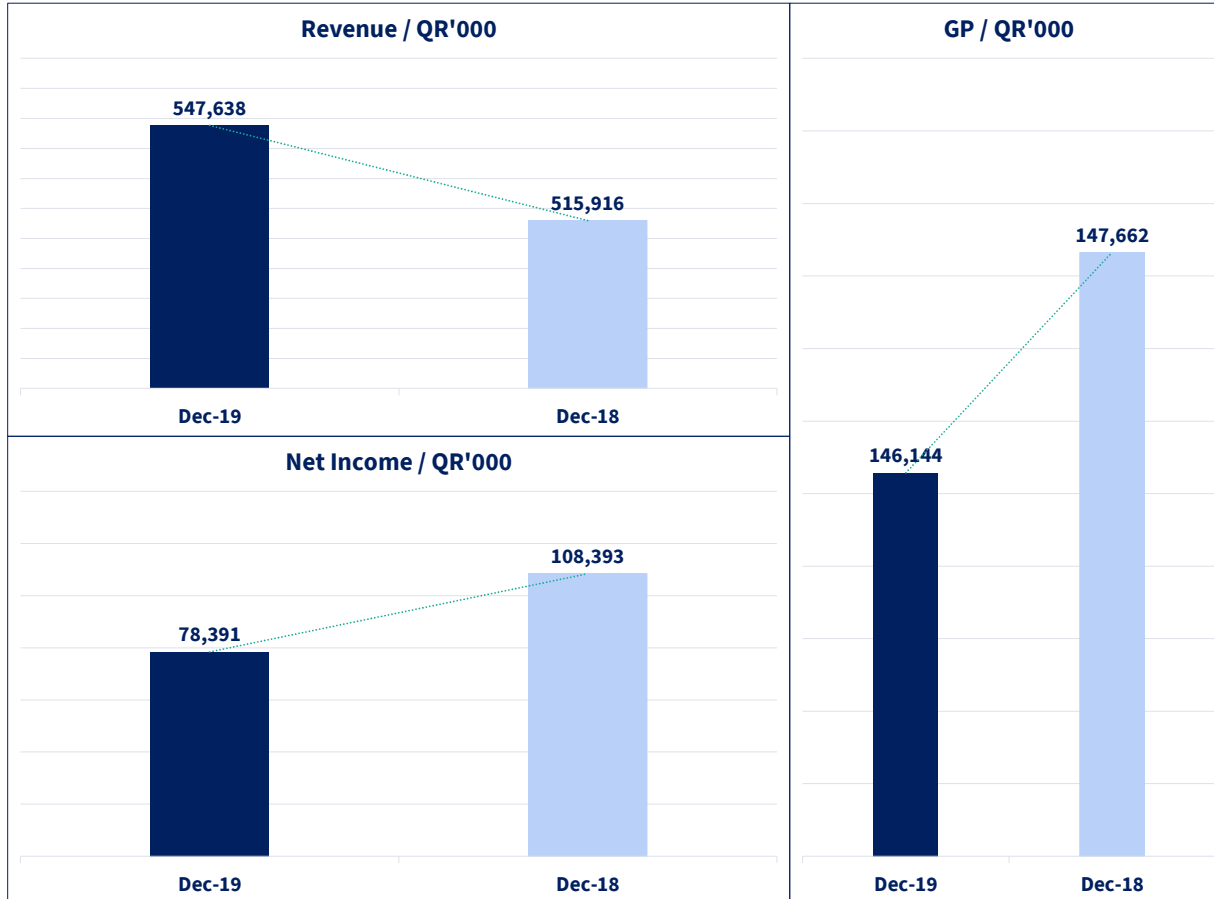
Major reason for the increase in the general and administrative expenses is due to the increase in professional fees related to supervise and design for Wakra slaughterhouse and increase in staff cost which resulted due to the hiring of new employees.

The minor decrease in the profit from bank deposits is due to the decrease in the bank deposit as compared to last year.

Decrease in gain from change in fair value less cost to sell of biological assets is due to the discontinuation of biological assets in Qatar.

Loss on discontinued operations pertains to the discontinuation of Biological assets at Al Rkiya in the current year.

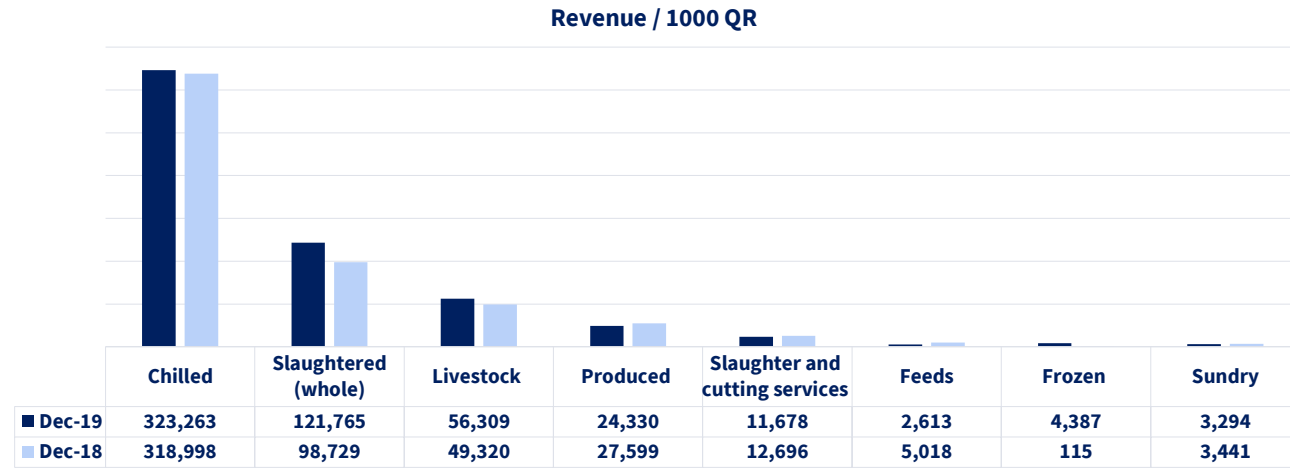
FINANCIALS RESULTS



**2019
Performance**

FINANCIALS RESULTS - REVENUE

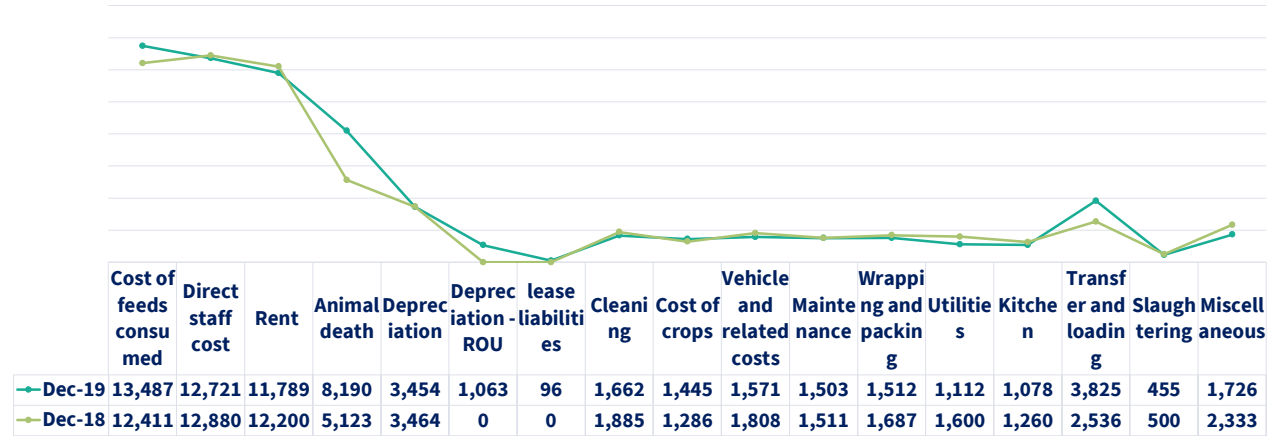
Revenue (QR'000)	2019	2018	VAR	%
Chilled	323,263	318,998	4,265	1%
Slaughtered (whole)	121,765	98,729	23,036	23%
Livestock	56,309	49,320	6,990	14%
Produced	24,330	27,599	(3,269)	-12%
Slaughter and cutting services	11,678	12,696	(1,017)	-8%
Feeds	2,613	5,018	(2,405)	-48%
Frozen	4,387	115	4,271	3702%
Sundry	3,294	3,441	(148)	-4%
	547,638	515,916	31,722	6%



FINANCIALS RESULTS – COST OF SALES

Cost Of Sales (QR'000)	Dec-19	Dec-18	VAR	%
Cost of goods sold	814,885	871,496	(56,611)	-6%
Cost of feeds consumed	13,487	12,411	1,076	9%
Direct staff cost	12,721	12,880	(159)	-1%
Rent expense	11,789	12,200	(411)	-3%
Animal death	8,190	5,123	3,067	60%
Depreciation of property and equipment	3,454	3,464	(10)	0%
Depreciation of right-of-use assets	1,063	0	1,063	100%
Finance cost on lease liabilities	96	0	96	100%
Cleaning	1,662	1,885	(223)	-12%
Cost of crops	1,445	1,286	159	12%
Vehicle and related costs	1,571	1,808	(238)	-13%
Maintenance	1,503	1,511	(8)	-1%
Wrapping and packing	1,512	1,687	(175)	-10%
Utilities	1,112	1,600	(488)	-31%
Kitchen expenses	1,078	1,260	(183)	-14%
Transfer and loading expenses	3,825	2,536	1,289	51%
Slaughtering expenses	455	500	(44)	-9%
Miscellaneous expenses	1,726	2,333	(607)	-26%
	881,571	933,980	(52,409)	-6%

Cost of sales / 1000 QR



Cost of goods sold / 1000 QR



FINANCIAL POSITION

Key statement of financial position line items	QAR '000			
	31-Dec-19	31-Dec-18	Var.	%
Property and equipment	21,775	17,727	4,048	23
Projects under progress	4,728	8,392	-3,664	-44
Equity investments - FVOCI	38,020	4,000	-34,020	851
Right-of-use assets	6,712	-	6,712	100
Total current assets	71,235	30,119	41,116	137
Inventories	16,527	18,309	-1,782	-10
Biological assets	835	18,074	-17,239	-95
Trade and other receivables	230,274	279,355	-49,081	-18
Cash and bank balances	191,938	295,561	-103,623	-35
Total current assets	439,574	611,299	-171,725	-28
Total assets	510,809	641,418	-130,609	-20

Property & equipment increased mainly due to transfer of Al Rkiya Project to Property & equipment. Increase is partially set off by depreciation during the year.

Decrease in projects under progress is due to the transfer of Al Rkiya Project to Property & equipment. Decrease is partially set off by increase in the Bull Fattening project during the year.

Increase in the Equity investments is due to the investment of the Company in the IPO of Baladna shares.

Due to advent of IFRS 16, new category was introduced "Right-of-use assets. These were previously not presented on balance sheet.

Inventories have decreased during the year major reason for which being decrease in feeds inventory by QR 4.5 million. Decrease is partially set off by increase in Livestock and meat inventory by QR 2.8 million.

Decrease in biological assets is due to the discontinuation of biological assets Al Rkiya project during the current year.

Decrease in trade and other receivables is majorly due to the decrease in the Government Compensation receivable by QR 55 million. The decrease is partially set off by increase in trade receivables by QR 7.1 million.

Decrease in cash and bank balances is majorly due to the payment supplier for chilled Australian meat in the current year. Further investment is IPO of Baladna also resulted in the decrease.

FINANCIAL POSITION

Key statement of financial position line items	QAR '000			
	31-Dec-19	31-Dec-18	Var.	%
Share capital	180,000	180,000	-	0
Legal reserve	83,963	76,124	-7,839	10
Foreign currency translation reserve	-22,717	-24,199	1,482	-5
Fair value reserve	-4,380	-	-4,380	100
Retained earnings	109,601	122,009	-12,408	-10
Total Equity	346,467	353,934	-7,467	-2
Islamic financing credit facility	272	755	-483	178
Provision for employees' end of service benefits	14,509	13,368	1,141	9
Lease liabilities	6,867	-	6,867	100
Trade and other payables	142,694	273,361	-130,667	-48
Total Liabilities	164,342	287,484	-123,142	-43
Total equity and liabilities	510,809	641,418	-130,609	-20

No change in share capital. Legal reserves are increased due to the 10% transfer of net profit during the year.

Decrease in Foreign currency translation reserve is due to the strengthening of Sudanese Pound in the current year.

Decrease in the fair value reserve is mainly due to the impairment of investment in Al Seef Company amounting to QR 4 million.

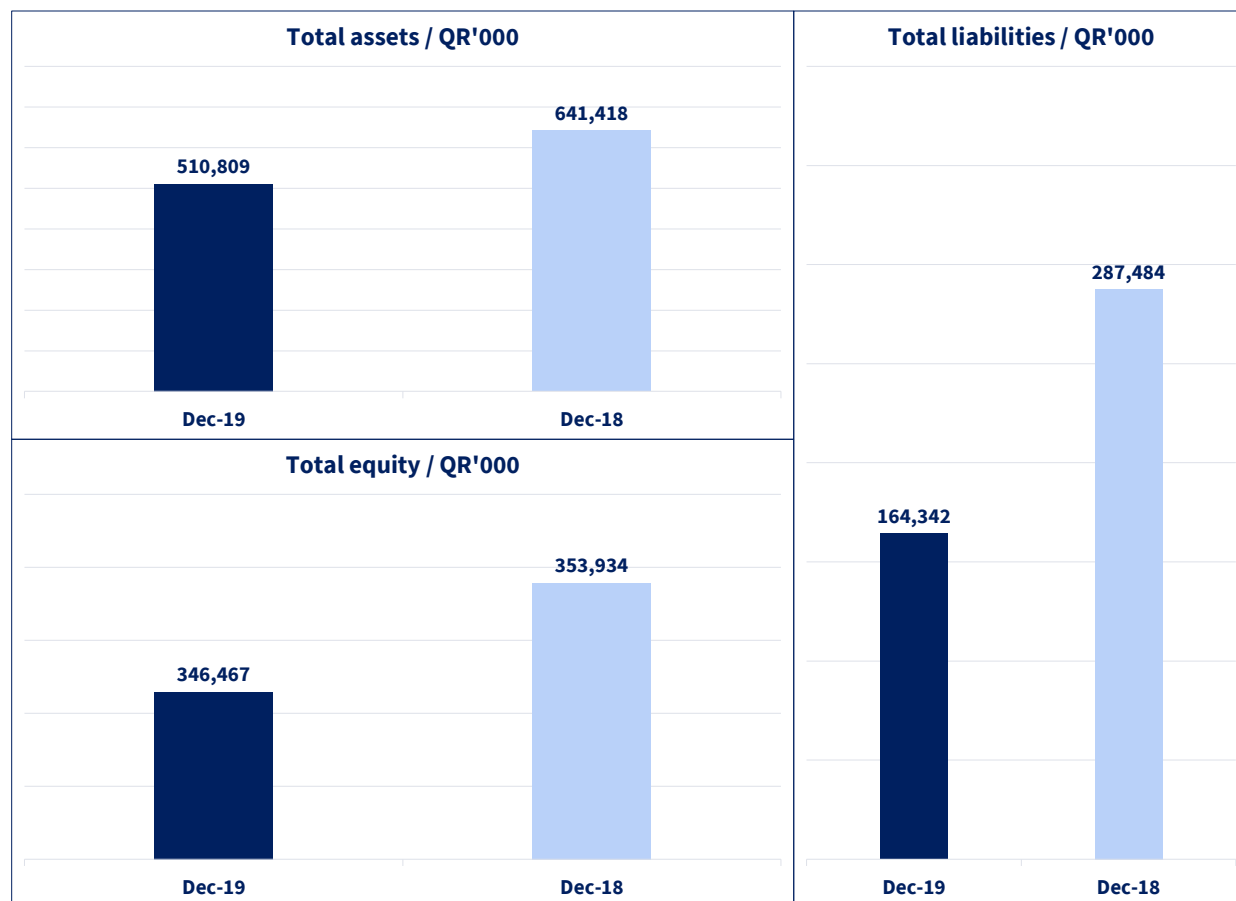
Decrease in retained earnings majorly due to the dividend payment for 2018 and decrease in the net profit of the current year.

Decrease in Islamic financing credit facility is due to the repayments made during the current year.

Due to advent of IFRS 16, new category was introduced "Lease liabilities". These were previously not presented on balance sheet.

Decrease in trade and other payables is majorly due to the payment for supplier in the current year.

FINANCIAL POSITION



FINANCIAL POSITION
2019

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