



Earnings Call 2022 FS | 22nd of March 2023

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Speakers



Ghassab Al Mandeel
Group CEO



Heni Jallouli
Group CFO

Key Highlights

Key Highlights for 2022

Consistent Profitable Growth

SAR5.8bn

FY22 GOV which
has grown by

28%

YoY

SAR1.7bn

FY22 Gross Rev
which has grown

by **34%**

YoY

69.0m

in FY22 orders Vs
51.6m orders
in FY21

SAR62

Average order
size FY22

SAR167m

adj. EBITDA during
FY22

2.8m+

Active users as
of Dec-2022

60k+

delivery partners
as of Dec-2022

783 full time
employees as of
Dec-2022
(Group)

12.45%

average
commission rate
during 2022

c.11k

merchants as of
Dec 22

Operating in
90 cities as of
Dec 22

4.8

monthly orders
per average user
FY22

Order delivered
on average in
<35 minutes

jahez



Key Highlights for 2022

Key metrics aligned with our guidance

	2022 Guidance	Actual 2022A	
GOV*	SAR5,700m – 6,500m	SAR5,774m	✓
GMV	SAR4,200m – 4,800m	SAR4,291m	✓
Revenues**	SAR1,600m – SAR1,800m	SAR1,672m	✓
Adjusted EBITDA margin (% revenue)	9% – 12%	10.0%	✓

Business Highlights - 2022



Expansion plan

Started operations in Bahrain & Kuwait as part of its expansion strategy to enhance Jahez's footprint in the Gulf Cooperation Council and the wider MENA Region.



Business Highlights – 2022



Food Delivery

jahez



Expanded into 90 cities across KSA

Opened its first operation outside of Saudi Arabia in the Kingdom of Bahrain and Kuwait



Launch of Jahez Prime as monthly subscription model with free delivery for selected restaurants



Jahez has signed the SPA end of Nov-22 and the deal closing is in progress consolidating the market share in KSA and the positioning in the high-end segment

jahez



Q-Commerce

PIK

Expanding across KSA and adding new merchants

Blu STORE

New JV with AlHilal Club as Sports related platform with an Hybrid shipping Q-Commerce model and E-Commerce mode



Launch of Jahez market as grocery offering inside Jahez App in collaboration with local hypermarkets managing dark-stores inside their stores



Logistics

Logi

Implementation of our delivery arm with the largest fleet in KSA (~2.5k drivers).

It is a centralized platform that first supports the Group synergizing its operations (27% of the Group orders during 2022) with the plan to expand to the wider e-commerce and postal logistics sectors



Merchants Services

CO

Cloud Kitchens

Expansion of our network of cloud kitchens across 5 cities Riyadh, Quassim, Hail and Eastern Province serving more than 150 brands

marn

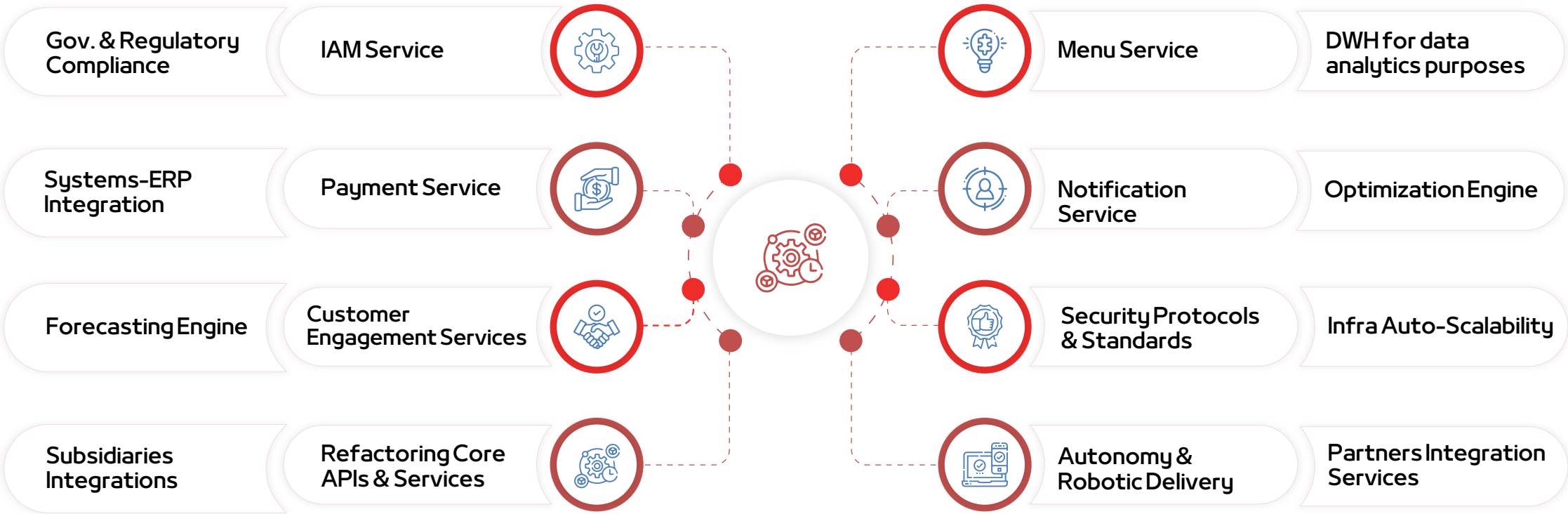
POS and Payment Solutions

Marn acquisition closed during Jan-23 with plans to enlarge the service offering as an enabler for restaurants and merchants

jahez
Group

Business Highlights – 2022

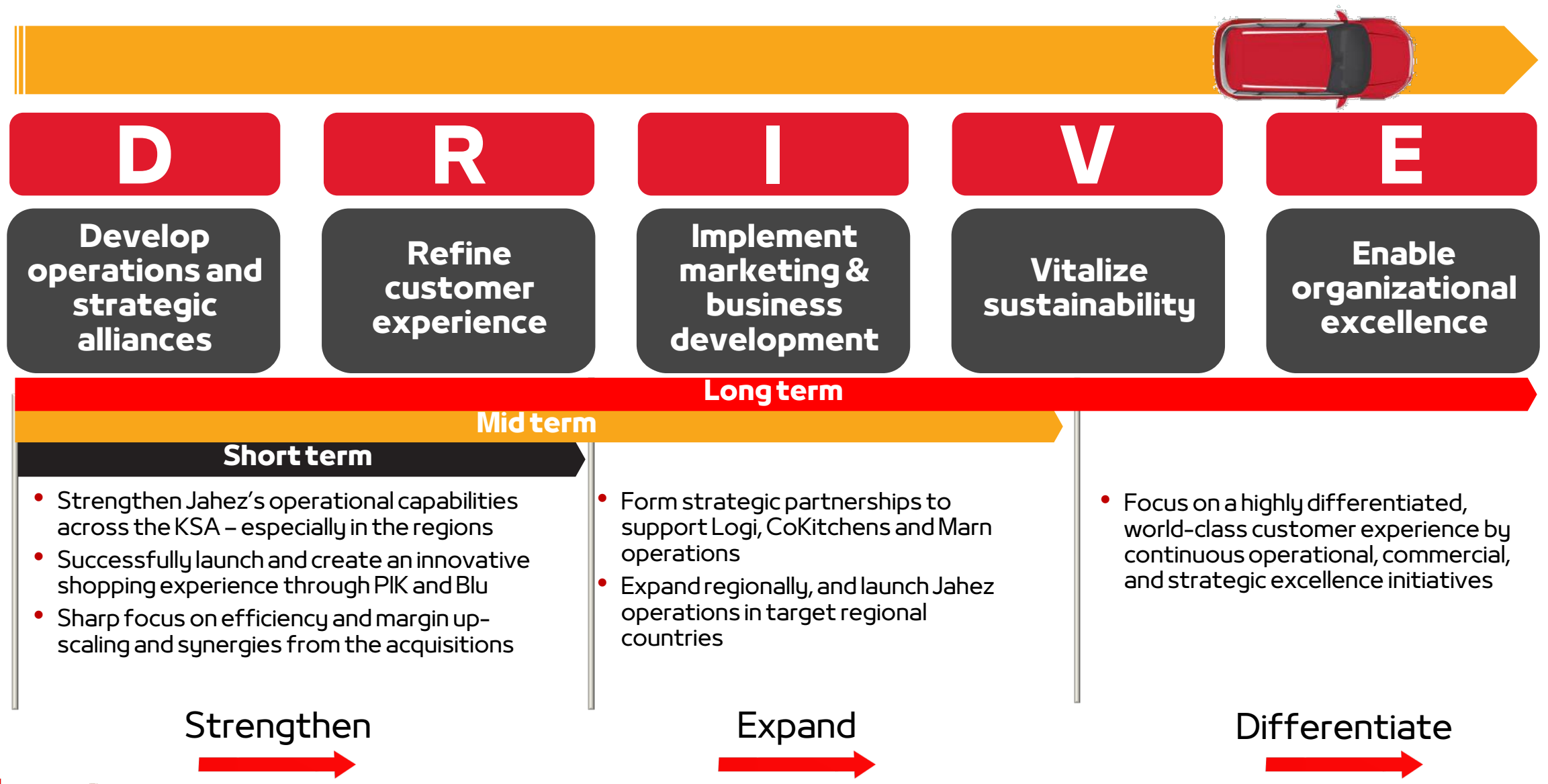
Our Primary focus during 2022 was to reinforce & build a strong IT assets foundation & Infrastructure, to accommodate our strategic goals and expansions:





Strategy

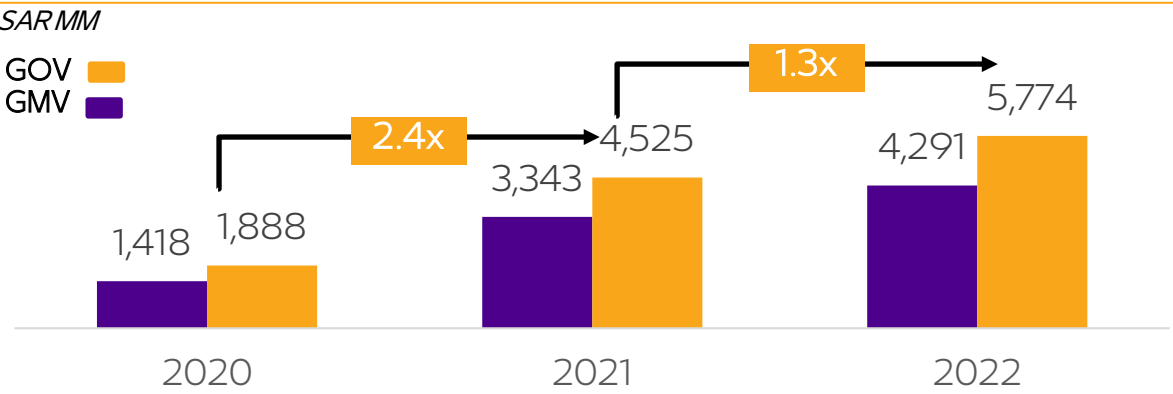
Jahez will continue building on its 5 pillars in order to “DRIVE” its strategy



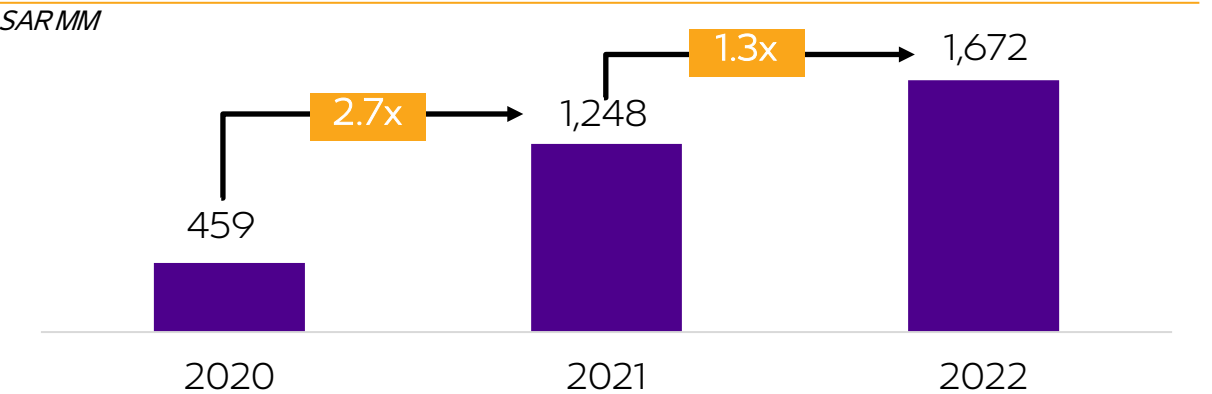
Financial & Operational Performance

Continued profitable growth

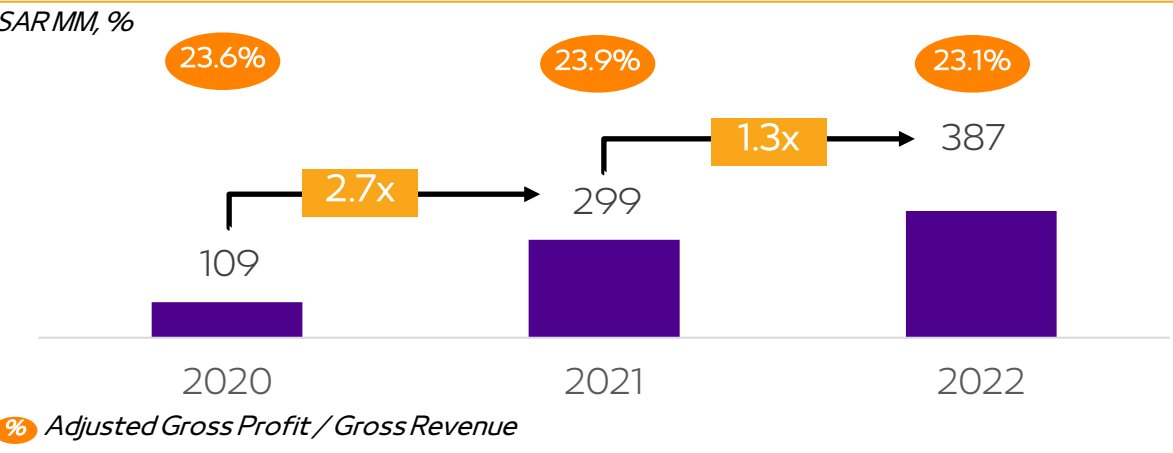
Growth in GOV and GMV across our markets...



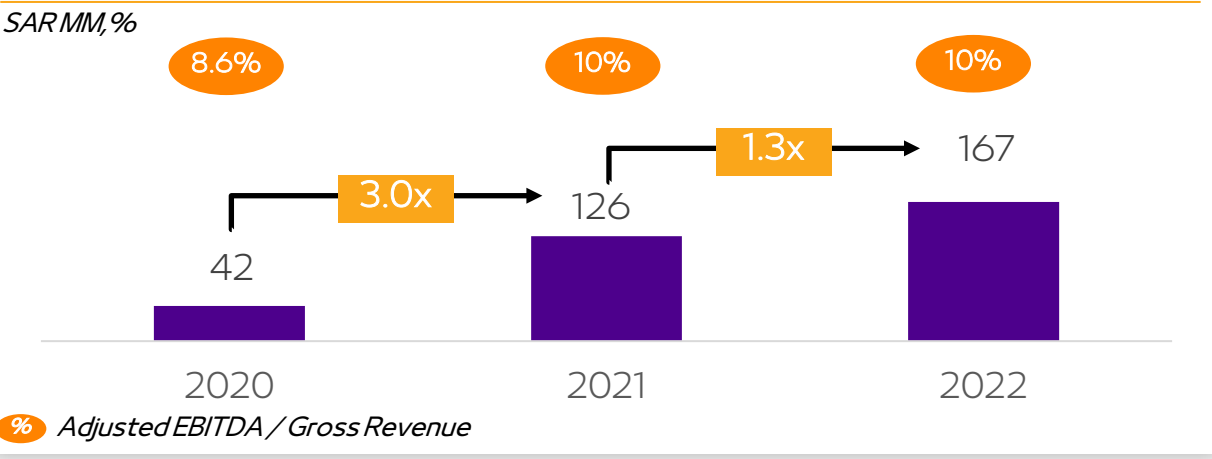
...With faster revenue growth...



...continuous expansion in gross profit* ...



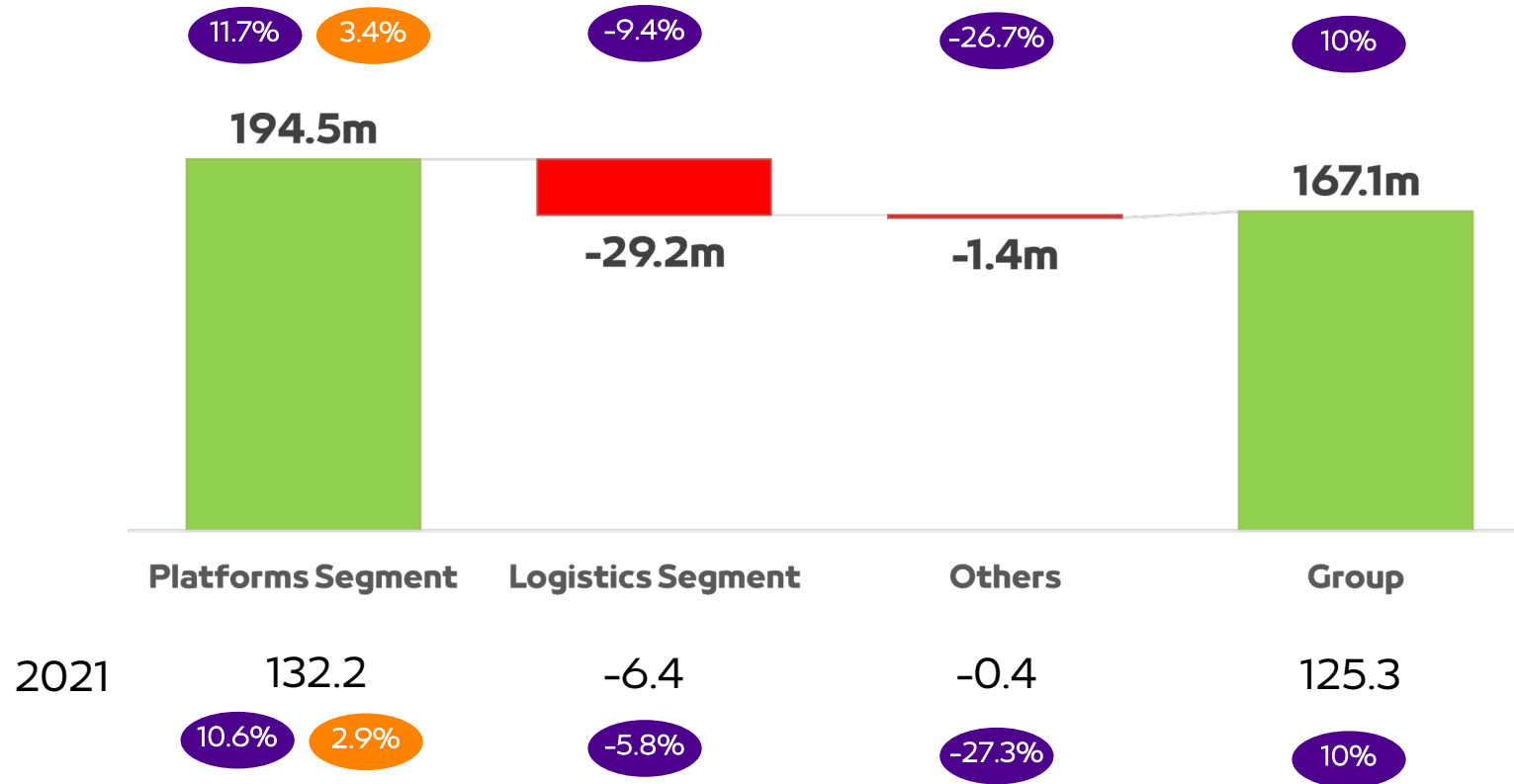
...And improvement in Adj. EBITDA



Adj. EBITDA by Segment

Adj. EBITDA by Segment

SARMM, %



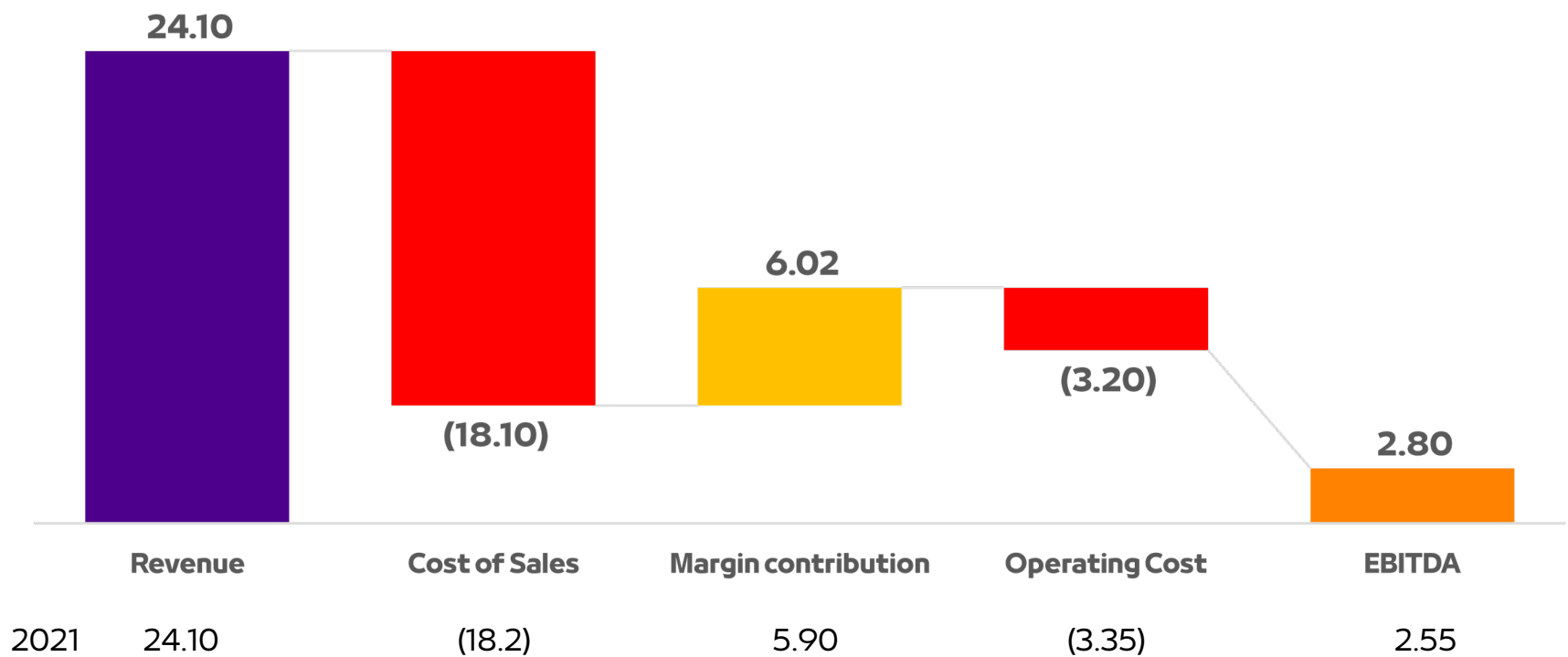
% Adj. EBITDA / Gross Revenue % Adj. EBITDA / GOV

- ✓ Improvement in Platforms segment EBITDA 47% YoY due to scale as well as better monitoring in operations and S&M despite the increase in G&A and new markets penetration, leading to 3.4% over GOV (2.9% FY21)
- ✓ Logistic segment faced major challenges in FY22 with the implementation of the fleet and the ramp up of our own driver's productivity and trainings
- ✓ Group Adj. EBITDA increased 32% YoY inline with the Revenues growth excluding the impact of SAR79m related to the other drivers costs (non recurring, idle capacity)

Delivery platforms segment

Unit Economics 2022

SAR per order

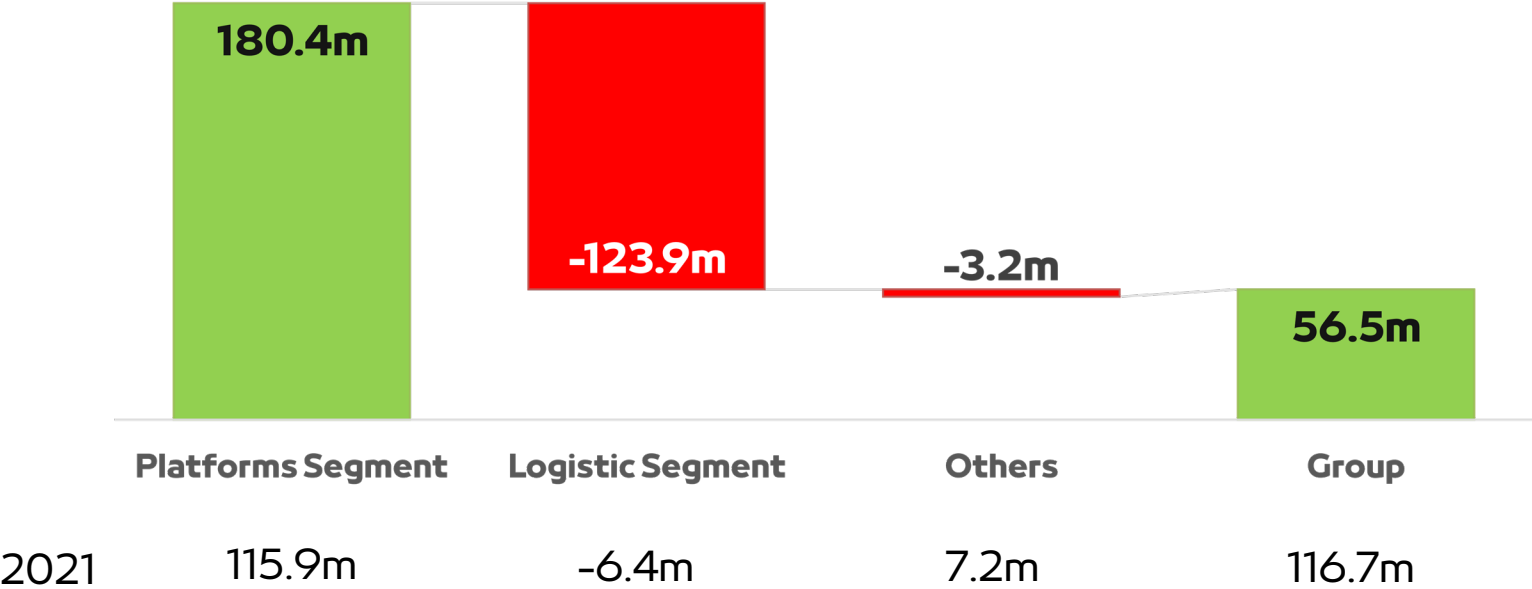


- ✓ Revenue per order in the same level despite the pricing strategy in the new regions and Prime
- ✓ Improvement across different cost of sales components due to efficiency from continuous operations growth and leading to an increase in gross margin contribution despite the increase in platform cost and the 'Tawseel' platform (0.37/Order)
- ✓ Operating costs improvement by 0.15SAR despite the increase in S&M and G&A but diluted by the orders growth
- ✓ Total 0.25 SAR (10% YoY) improvement in EBITDA per unit

Net Income by Segment

Net Income by Segment

SARMM, %

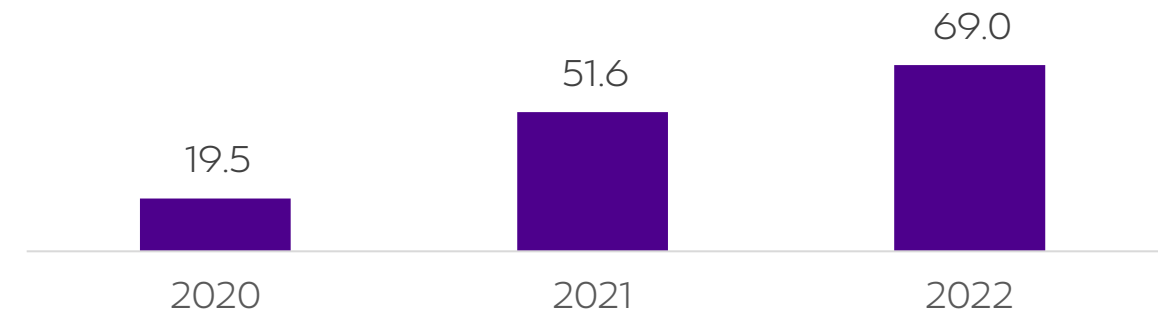


- ✓ The Platforms Segment showed an improvement in net profit by 56% with scale effect from operations and income generated from the investments and cash deposits
- ✓ Logistic segment total losses were SAR124m with SAR79m attributable to the Idle Capacity of the drivers
- ✓ The Group Net Income dropped from SAR116.7m to SAR56.5m due to logistics segment performance and high Zakat expense related to the IPO funds increasing the Zakat Base

Operational KPIs – Delivery Platforms Segment

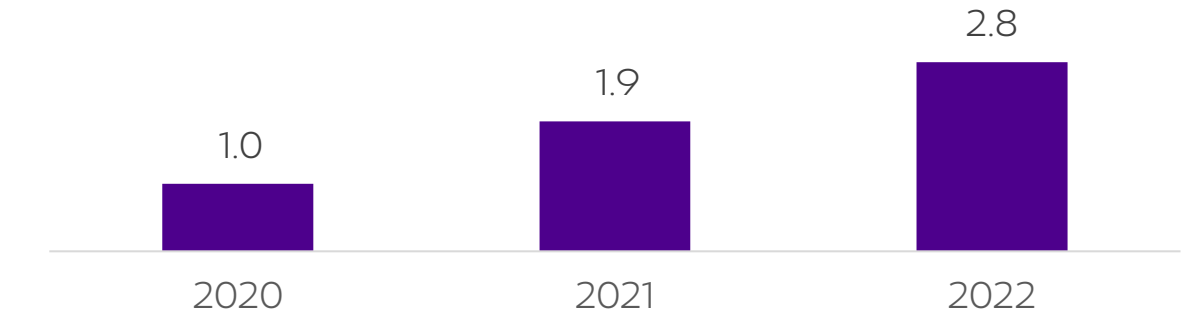
Number of orders

of orders (m)



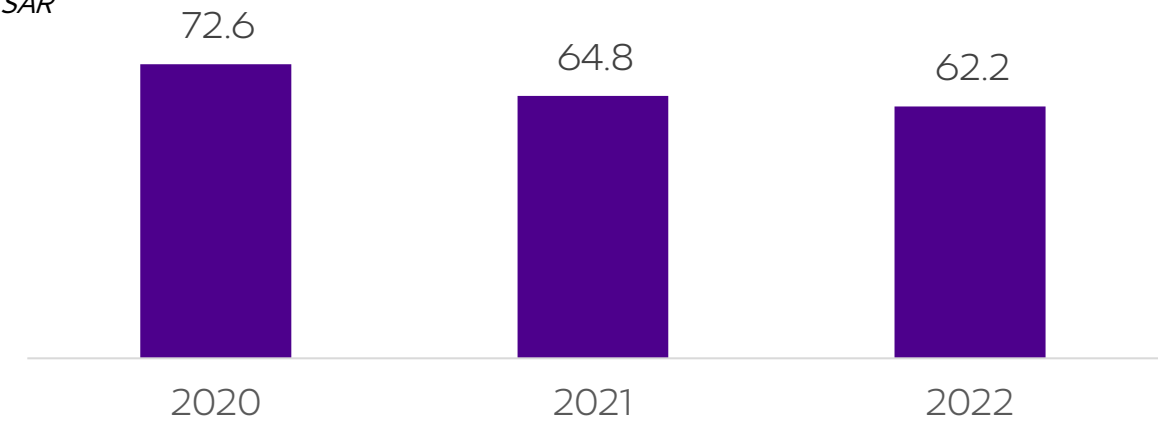
Number of active users

of users (m)



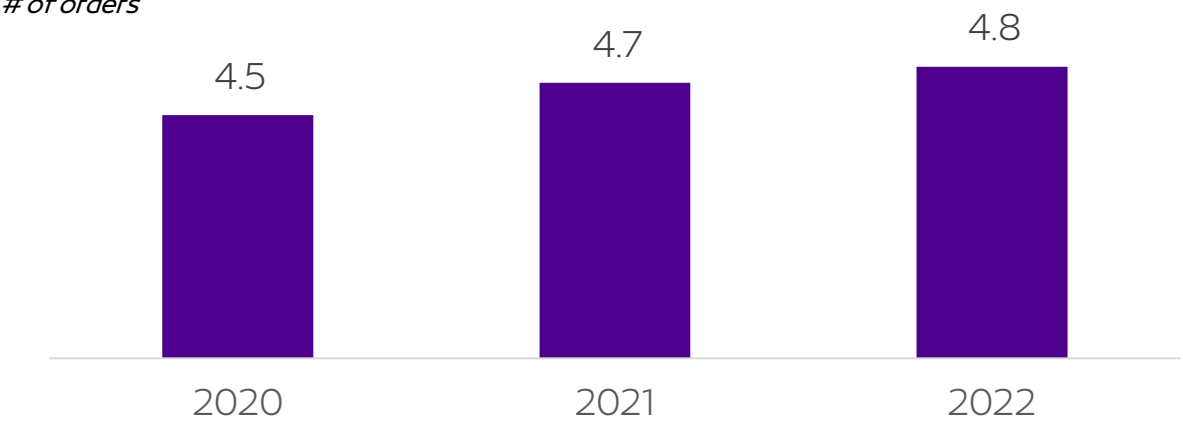
GMV per order

SAR

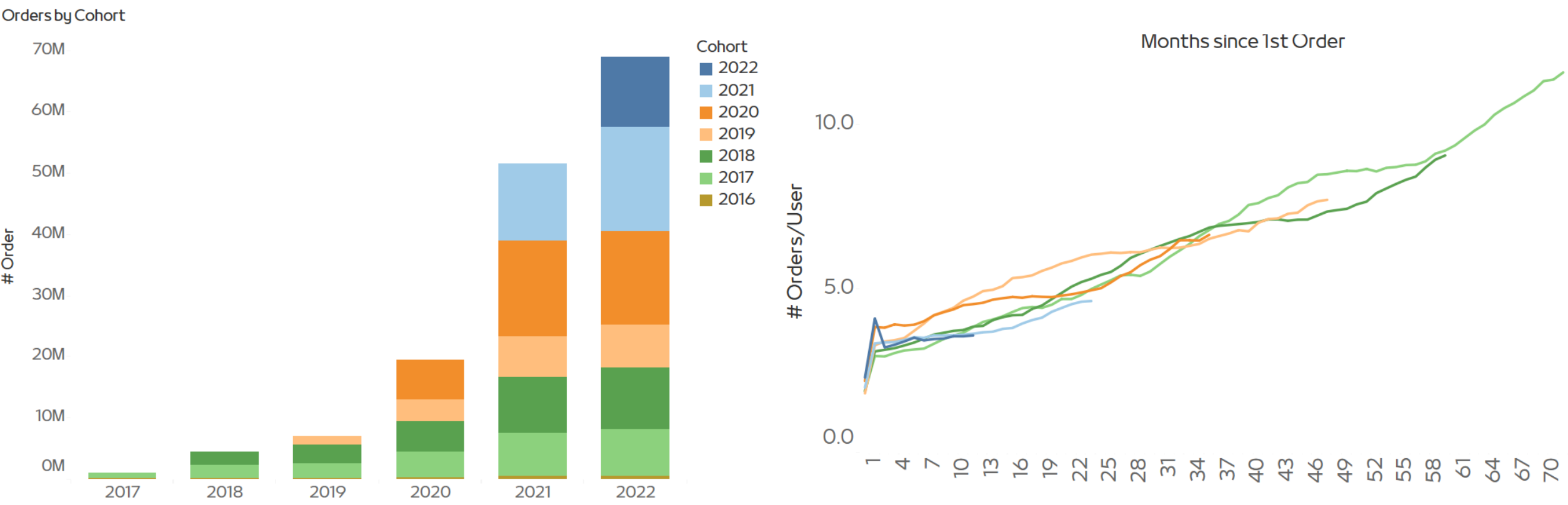


Orders per user (monthly)

of orders

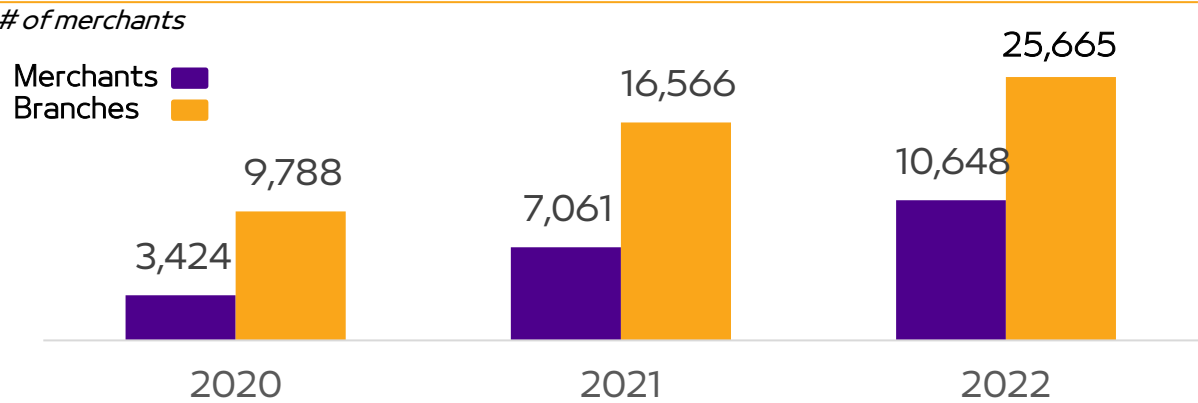


Operational KPIs – Delivery Platforms Segment

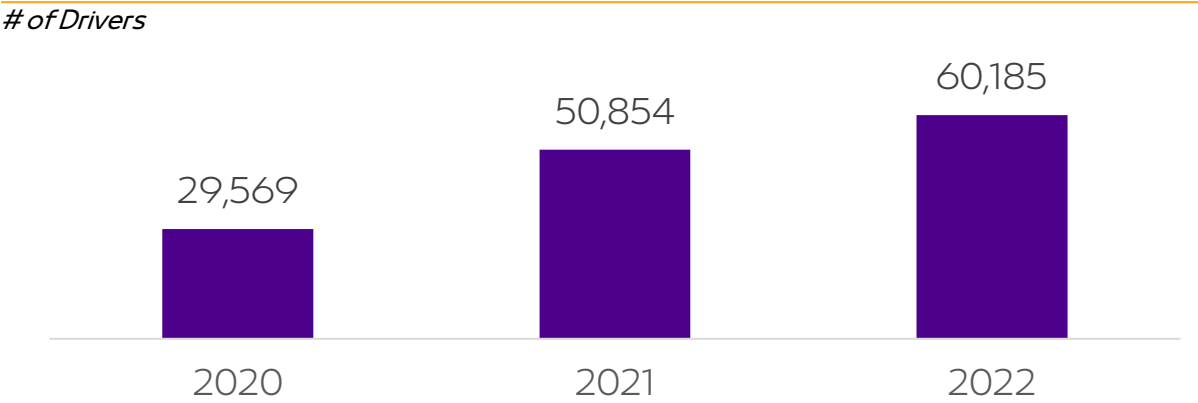


Operational KPIs – Delivery Platforms Segment

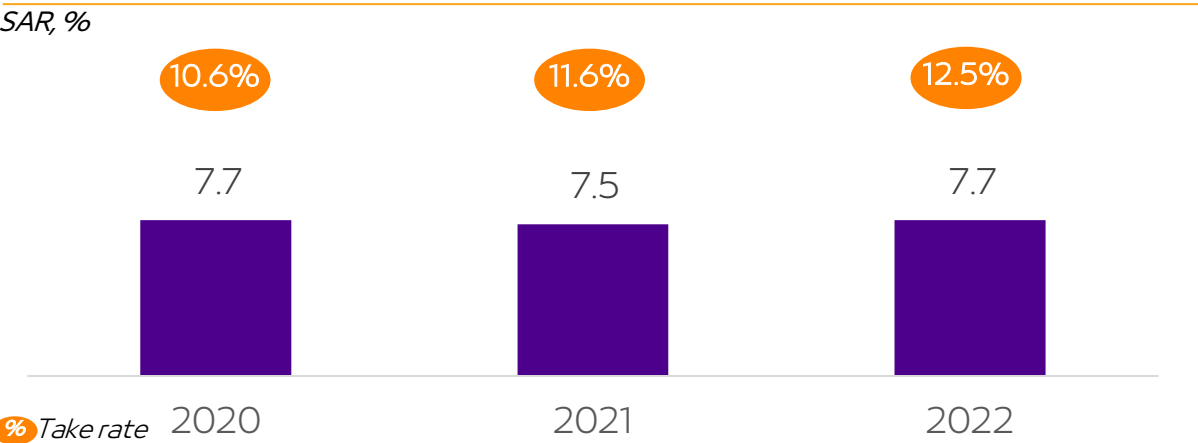
Number of merchants (Year End)



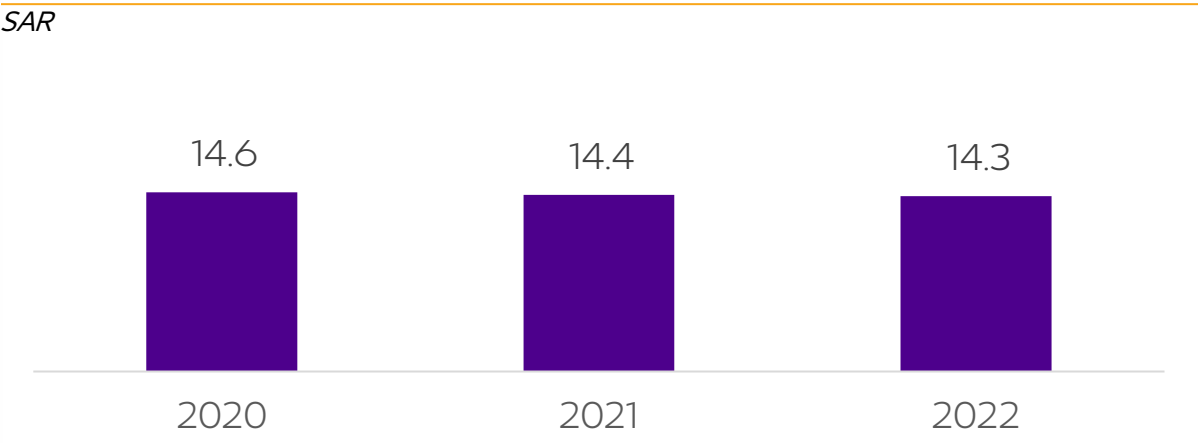
Number of delivery partners (Year End)



Average commission per order



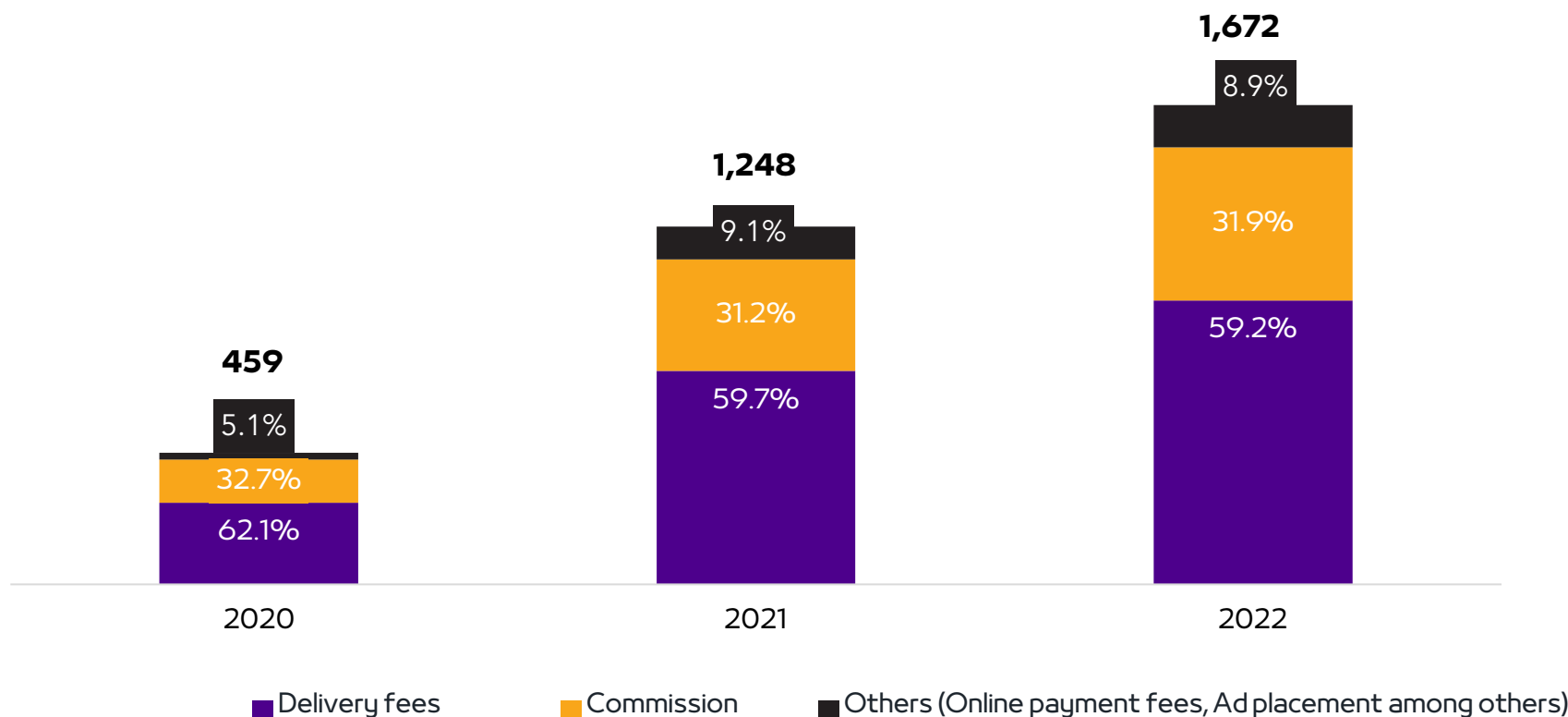
Average delivery fees per order



Gross Revenues*

Group revenue streams

SARMM, %



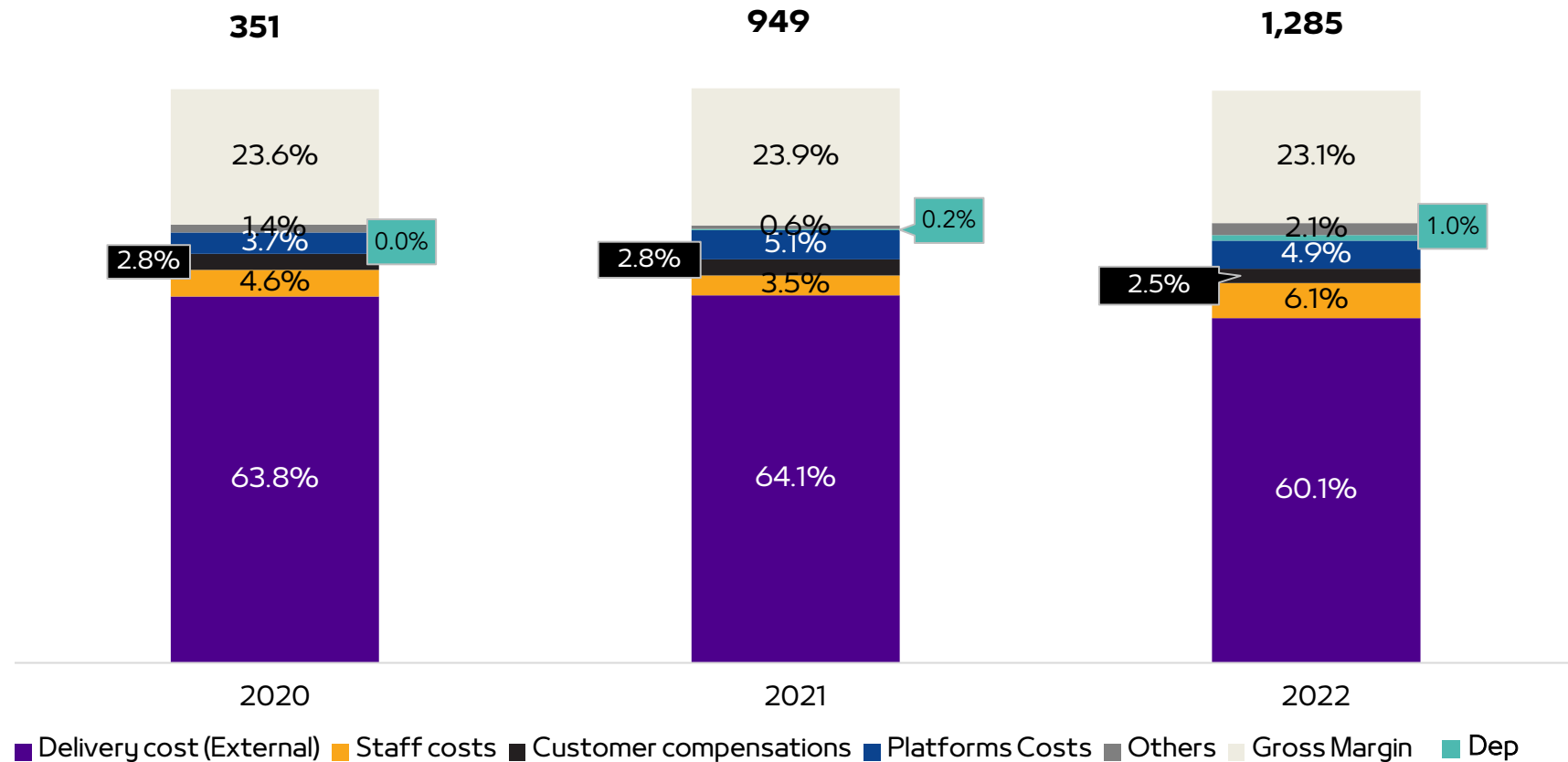
✓ **34% YoY Revenue growth driven by faster than the GMV growth of 28%**

- Increase in the number of users c.1.9m in FY21 to c.2.8m in FY22
- Significant growth in the number of orders from c.51.6m in FY21 and c.69.0m in FY22
- Negotiating higher take rates with the merchants, which on average increased from 11.6% in FY21 and 12.45% in FY22
- Increase of the Adv. Revenues and the Online Payment Fees inline with the overall revenue growth

Highly efficient and controlled cost base

Cost of revenue* breakdown (as % of Gross Revenue)

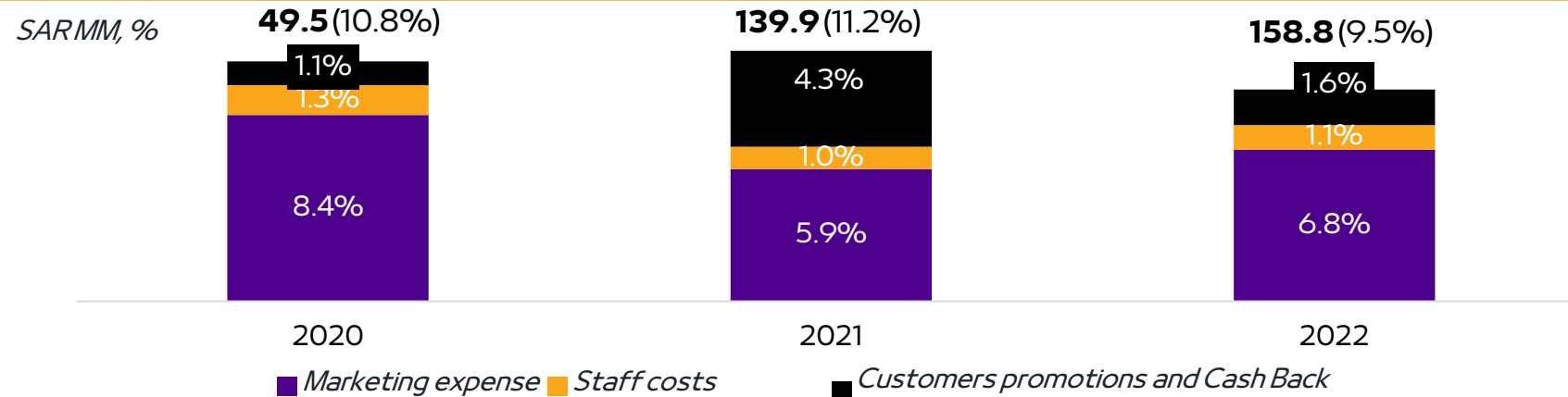
SARMM, %



- ✓ Delivery cost are related to the external drivers (3PLs and freelancers)
- ✓ Staff growth cost include Own Drivers Costs
- ✓ Customer compensations decreased as % of revenue due to better operations efficiency
- ✓ Other costs are mainly related to fuel and fleet costs
- ✓ Depreciation cost increased with fleet ROU (delivery arm)
- ✓ Total Delivery Cost (External and own fleet) increased by 37% YoY (1095.8m Vs 799.2m)
- ✓ Total Gross Profit slightly declined with the ramp up of own drivers productivity

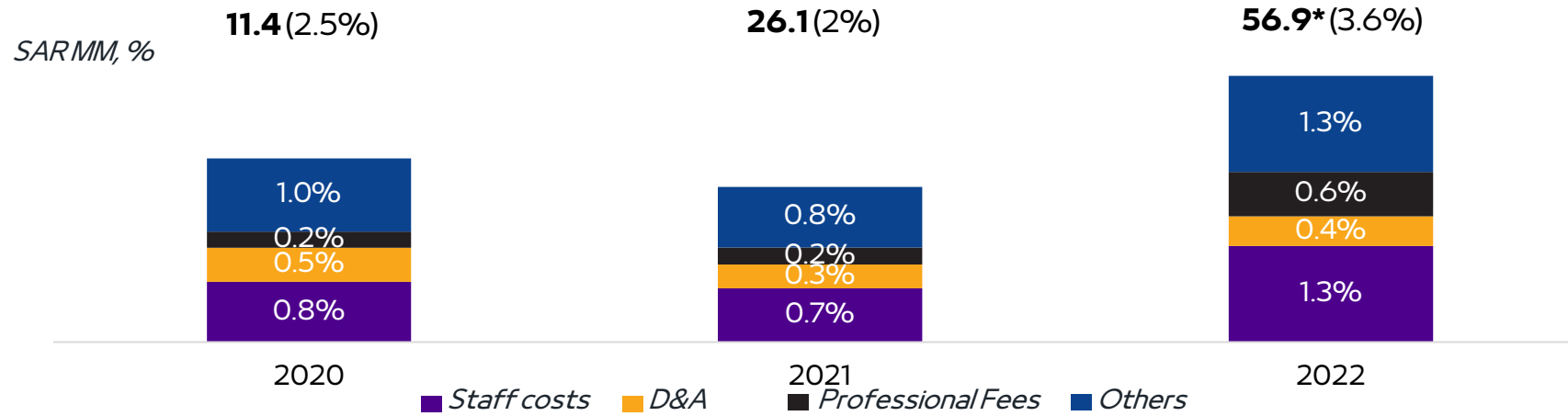
Highly efficient and controlled cost base

Selling & marketing expenses breakdown (as % of Gross Revenue)*



✓ Marketing and selling expenses increased 13.5% YoY in value driving additional revenue of 38%, showing a better optimization of the marketing spending

General and administrative expenses breakdown (as % of Gross Revenue)**

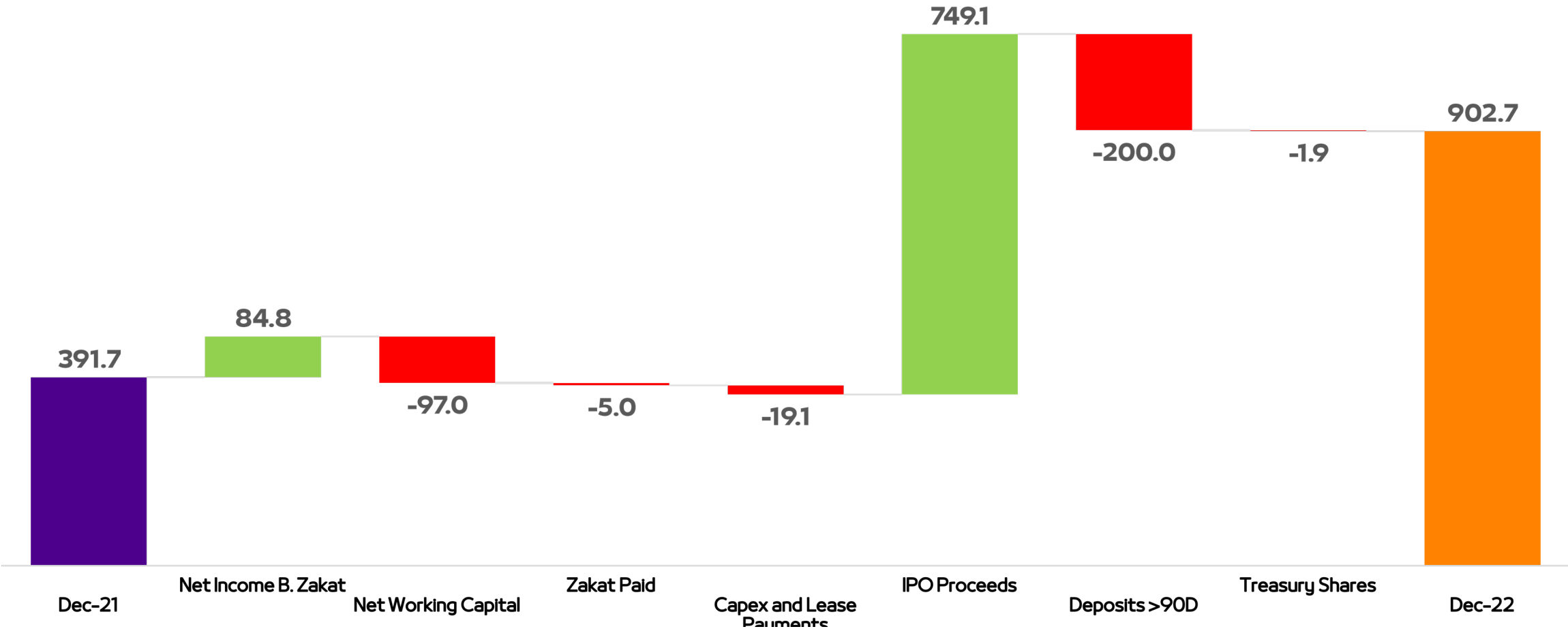


✓ General and administrative expenses increased as a % of revenue due to expanding operational staff to support orders growth

Net Cash

Strong Cash Position

SARMM



Summary

Summary for 2022

- Improvement across different cost of sales components due to efficiency from continuous operations growth
- New cities in KSA and start of GCC Expansion
- Implementation of the largest logistic player in KSA
- Acquisitions of Marn and TheChefz
- R&D: Back end and UX improvements



Q&A

Thank You

Appendix

Top Line Definitions

SARMM

	2022	2021	2020
GMV	4,291	3,343	1,418
Value added tax on the Value of the Order	643	487	162
Delivery Value Paid by Customers	730	605	276
Value Added Tax on Delivery Value Paid by Customers	110	91	31
GOV	5,774	4,525	1,888

	2022	2021	2020
Gross Revenue	1,672	1,248	459
Customer Compensations	(42)	(35)	(13)
Customer Promotions & Cash back	(27)	(53)	(5)
Net Revenue	1,602	1,160	441

Appendix

Costs Definitions

SARMM

	2022	2021	2020
Reported COS	1,243	914	351
Customer Compensations	42	35	-
Cost of sales including Compensation	1,285	949	351
Reported S&M	131	87	49
Customer Promotions & Cash back	27	53	-
S&M including Compensation	159	140	49
Reported G&A	136	26	11
Idle driver cost (One off)	(80)	-	-
Adjusted G&A	57	26	11

Appendix

Segment Reporting	Delivery Platforms	Logistics	Others	Eliminations	Total 2022
SARm					
<u>Gross Revenues</u>	1,666.5	310.4	5.2	-310.4	1,671.7
Customer Compensations	-41.8	0.0	0.0	0.0	-41.8
Customer Promotions & Cash back	-27.4	0.0	0.0	0.0	-27.4
<u>Net Revenues</u>	1,597.3	310.4	5.2	-310.4	1,602.5
<u>Direct Costs</u>	-1,209.2	-336.6	-5.5	313.6	-1,237.6
Operating Costs (S&M and G&A)	-200.1	-3.0	-1.1	0.0	-204.2
Expected Credit Losses	3.8	0	0	0	3.8
Other Operating Income	2.7	0	0	0	2.7
Adj. EBITDA	194.5	-29.2	-1.4	3.2	167.1
	11.7%	-9.4%	-26.7%	-1.0%	10.0%
Other Drivers Costs (Idle Capacity)	0.0	-79.5	0.0	0.0	-79.5
Depreciation and Amortization	-6.9	-13.3	-3.2	0.0	-23.5
Other Income and Investment Results	21.6	0.6	1.8	0.0	24.0
Financing cost	-0.4	-2.4	-0.4	0.0	-3.2
Zakat	-28.3	0.0	0.0	0.0	-28.3
Net Income (Loss) for the Year	180.4	-123.9	-3.2	3.2	56.5

Appendix

Segment Reporting	Delivery Platforms	Logistics	Others	Eliminations	Total 2021
SARm					
<u>Gross Revenues</u>	1,246.2	110.7	1.5	-110.7	1,247.7
Customer Compensations	-34.8	0	0	0	-34.8
Customer Promotions & Cash back	-53.3	0	0	0	-53.3
<u>Net Revenues</u>	1,158.1	110.7	1.5	-110.7	1,159.6
<u>Direct Costs</u>	-906.5	-116.4	-1.8	110.7	-914.0
Operating Costs (S&M and G&A)	-116.9	-0.7	-0.1	0.0	-117.7
Expected Credit Losses	-2.5	0	0	0	-2.5
Other Operating Income	0.0	0	0	0	0.0
Adj. EBITDA	132.2	-6.4	-0.4	0.0	125.3
Other Drivers Costs (Idle Capacity)	0.0	0.0	0.0	0.0	0.0
Depreciation and Amortization	-5.6	0.0	0.0	0.0	-5.6
Other Income and Investment Results	0.5	0.0	8.2	0.0	8.7
Financing cost	-0.5	0.0	-0.5	0.0	-0.9
IPO Expense	-6.2	0.0	0.0	0.0	-6.2
Zakat	-4.5	0.0	-0.1	0.0	-4.6
Net Income (Loss) for the Year	115.9	-6.4	7.3	0.0	116.7

Definitions

- GMV** The gross merchandise value of products sold in a certain market in a specific period, excluding the following:
- a. value added tax on the value of the order.
 - b. The delivery value paid by the customer.
 - c. value added tax on delivery value.
- GOV** The gross merchandise value of products sold in a certain market in a specific period, including the following:
- a. value added tax on the value of the order.
 - b. The delivery value paid by the customer.
 - c. value added tax on delivery value.
- Active Customers** Active users for a period of one hundred eighty (180) days from the date of the last order on Jahez platform.