

jahez

Earnings Call 2023 FS H1 2023

4 Sep 2023

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Speakers



Ghassab Al Mandeel
Group CEO



Heni Jallouli
Group CFO

Key Highlights

The background features a vibrant, abstract design. It consists of several overlapping, rounded shapes in shades of red, orange, and yellow. A large, light orange shape is prominent in the center, partially overlapping a darker red shape above it and a yellow shape to its right. The overall composition is dynamic and modern.

Key highlights for H1 2023

Consistent Profitable Growth focused local and regional expansion



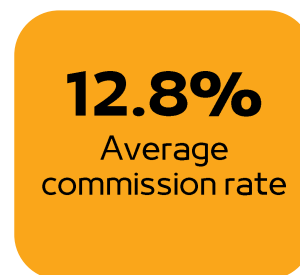
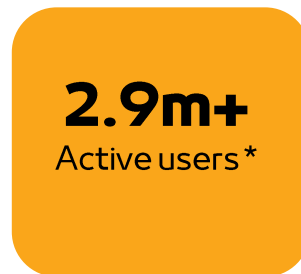
21% YOY ▲



22% YOY ▲



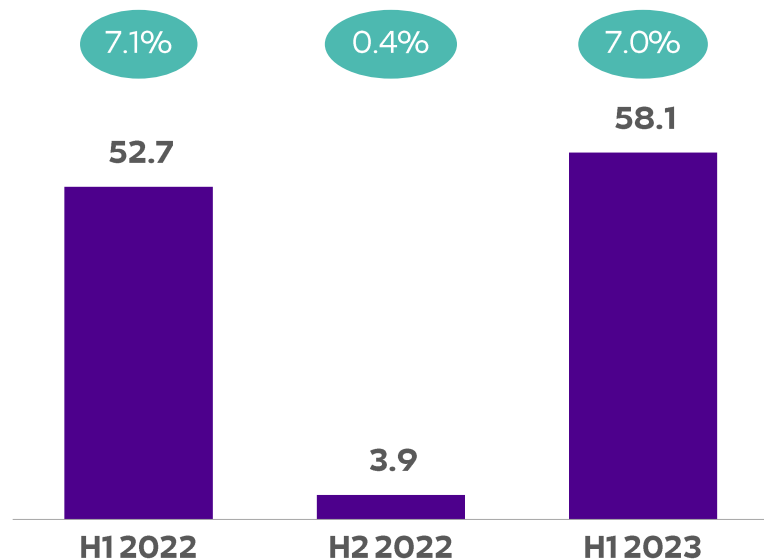
13% YOY ▲



Key highlights for H1-2023

Group net income

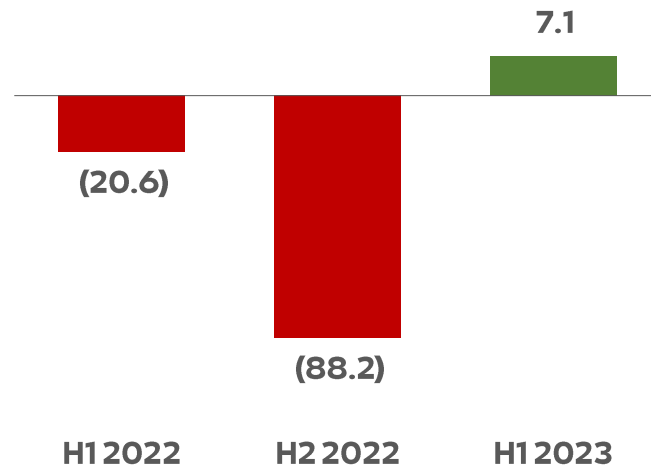
SAR m



Profitability recovery in H1 2023

Logistics EBITDA

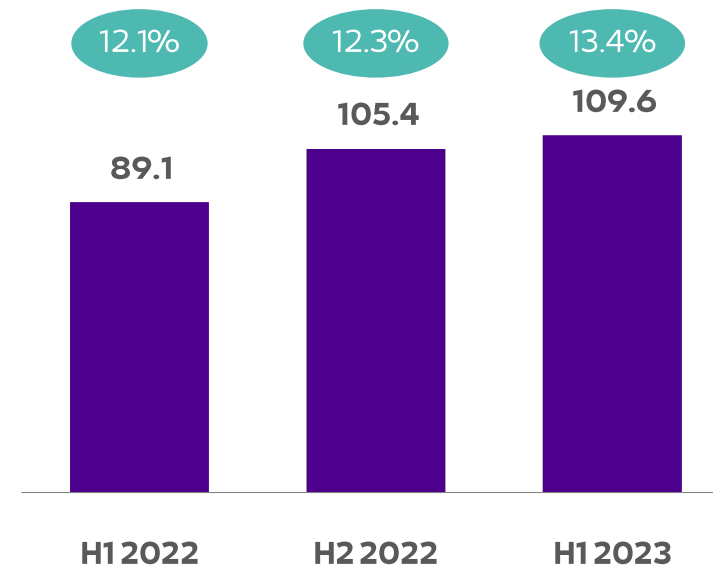
SAR m



Successfully turned positive EBITDA

KSA Platforms EBITDA

SAR m



KSA continues profitability improvement

The background features a vibrant, abstract design with large, overlapping shapes in shades of red, orange, and yellow. The text is positioned on the left side of the frame.

Strategy & business update

Expansion plan update - 2023



KSA



- 1| 33% orders YOY growth in non central region
- 2| Growth strategy continues with vertical expansions & adjacent businesses
- 3| Market consolidation & expansion efforts continues through acquisitions

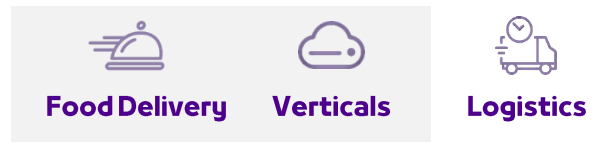
Gulf (Outside of KSA) Expansions



- 1| + 3.1x growth in customer base within the first half 2023
- 2| Local team, technology & shared services infrastructure implemented
- 3| 1,552 restaurants signed growing at +1.5x versus January

Increasing KSA footprint in 100 cities & adjacent business with additional focus on GCC growth

Business Highlights - H1 2023



1 Building cross business synergies & leveraging scale

2 Introducing new revenue streams & external partnerships

3 Improving local footprint through customized marketing & features



2.9m Users shared from Jahez across vertical businesses using in-house built technology



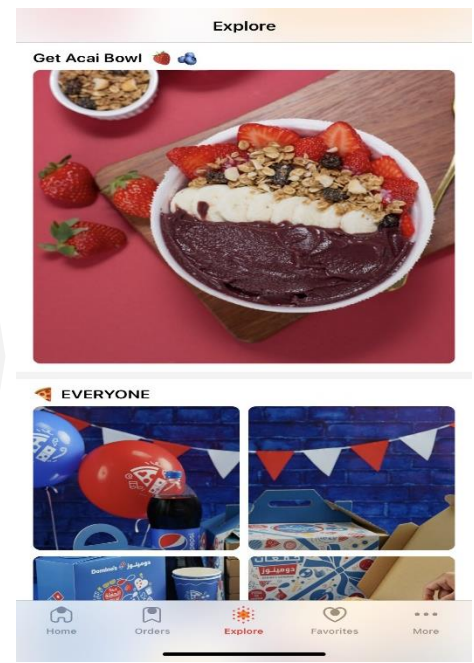
Business Highlights – H1 2023

1 Building cross business synergies & leveraging scale

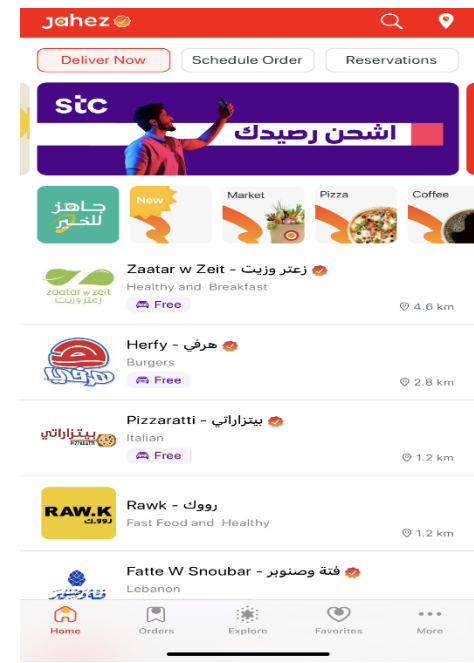
2 Introducing new revenue streams & external partnerships

3 Improving local footprint through customized marketing & features

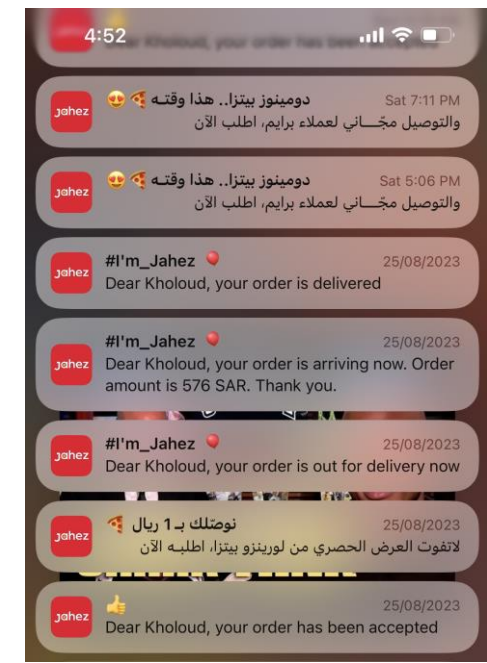
New features utilizing AI to provide customized navigation & shopping experience



“Explore” for customized user experience



“Catalog” & “Banner” to aid app navigation



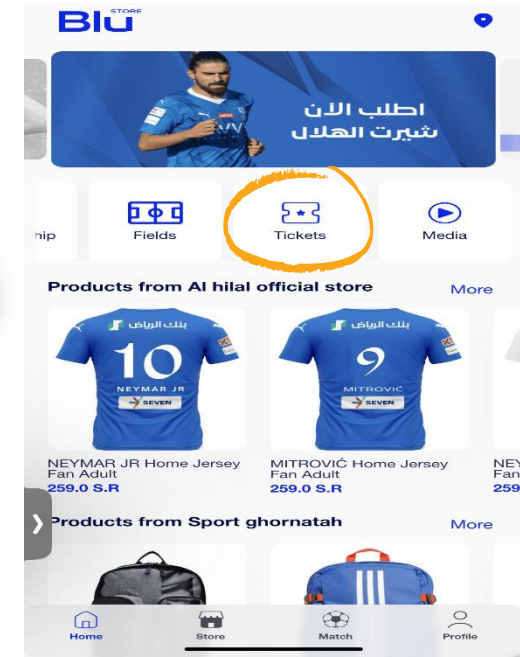
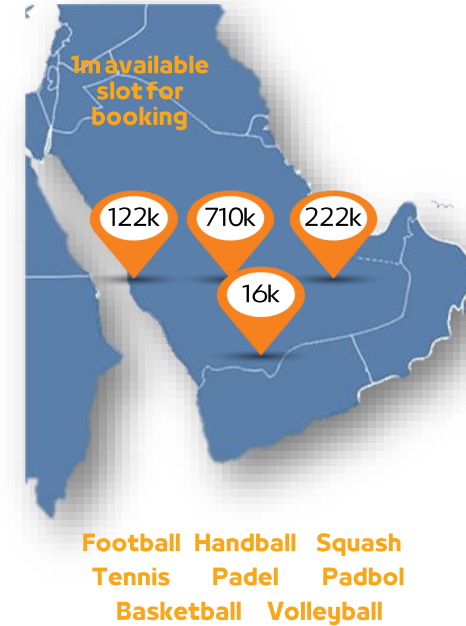
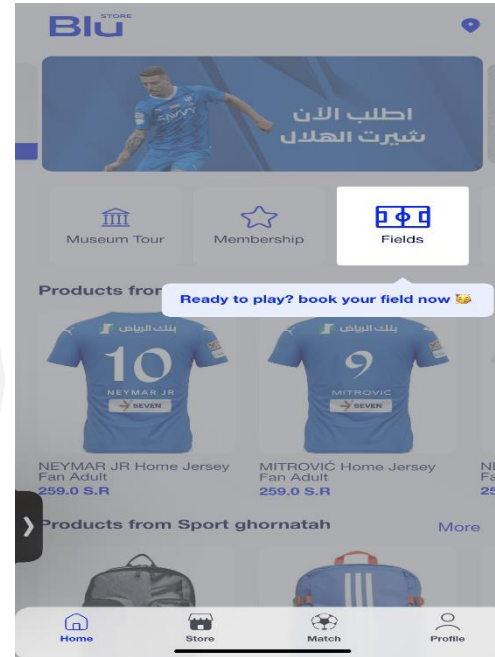
“Notification” for special deals & offers

Business Highlights – H1 2023

1 Building cross business synergies & leveraging scale

2 Introducing new revenue streams & external partnerships

3 Improving local footprint through customized marketing & features



Golato partnership: Booking sport fields services across KSA 14 cities within 8 sports

Hilal Club: Booking Hilal football game tickets through Blu app

Business Highlights – H1 2023



- 1| Building cross business **synergies** & leveraging **scale**
- 2| Introducing new **revenue streams** & external partnerships
- 3| Improving **local footprint** through customized marketing & features



Implementing Jahez proven successful delivery platform structure into GCC countries while ensuring it adopts the local culture & lifestyle



Logistic Segment Highlight



~2000 driver partner managed based on performance & productivity



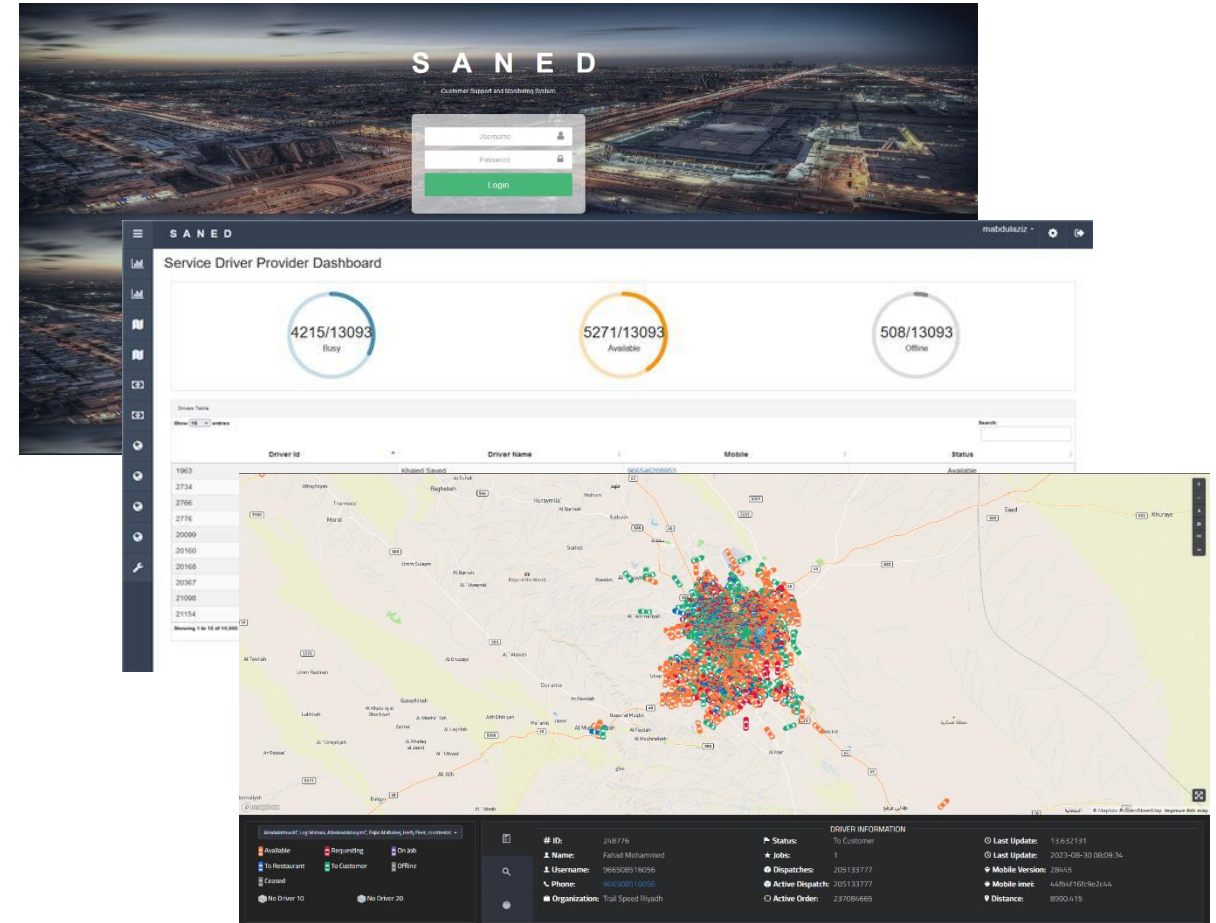
Scalable infrastructure ready to serve as the biggest last mile delivery player in the market



Systems to virtually track drivers' location, online activities & productivity



Improved productivity per driver generating **7.1m** EBITDA vs. last year **-20m**



Largest delivery arm in KSA with in house built technological capabilities



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Financial & Operational Performance

Key results H1 2023

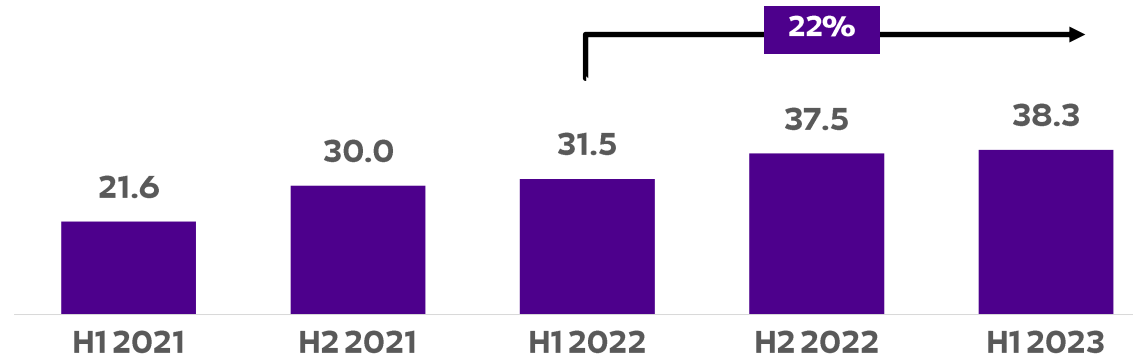
GOV and GMV

SARb



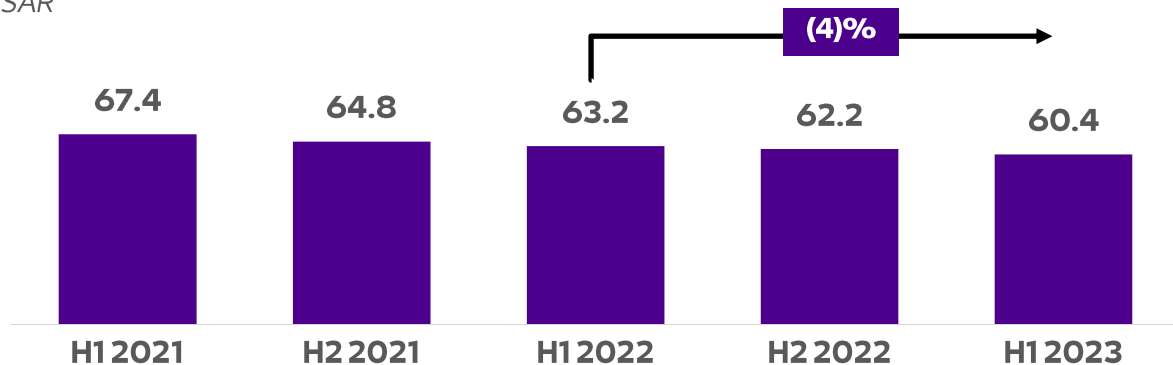
Number of orders

of orders m



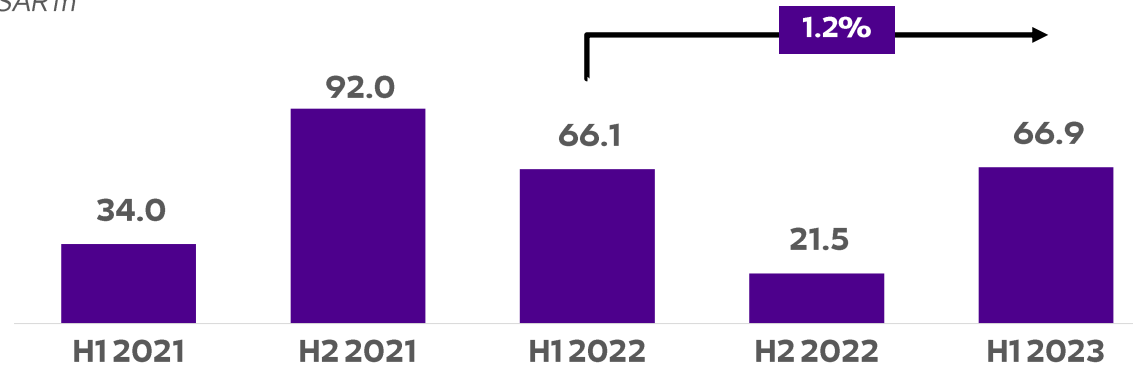
AOV

SAR



EBITDA

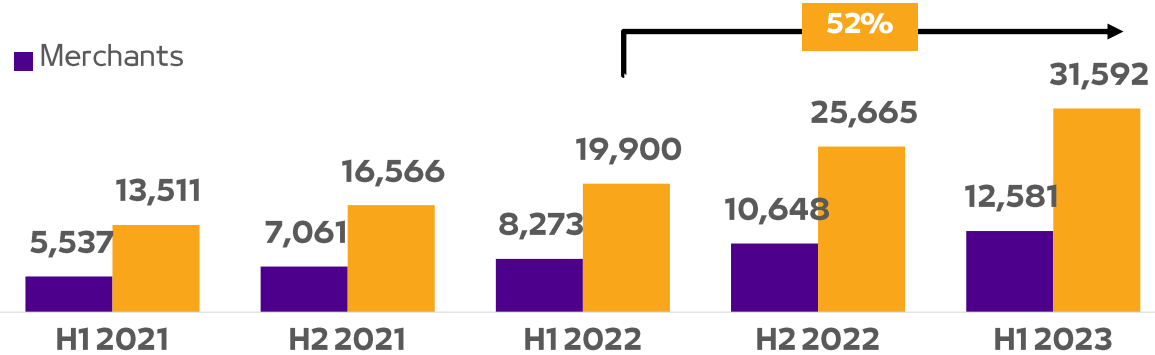
SARm



Operational KPIs

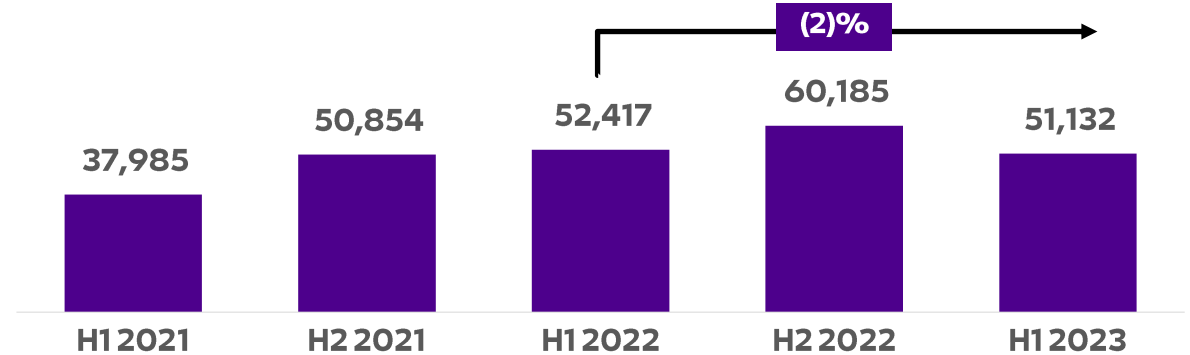
Number of merchants*

of merchants



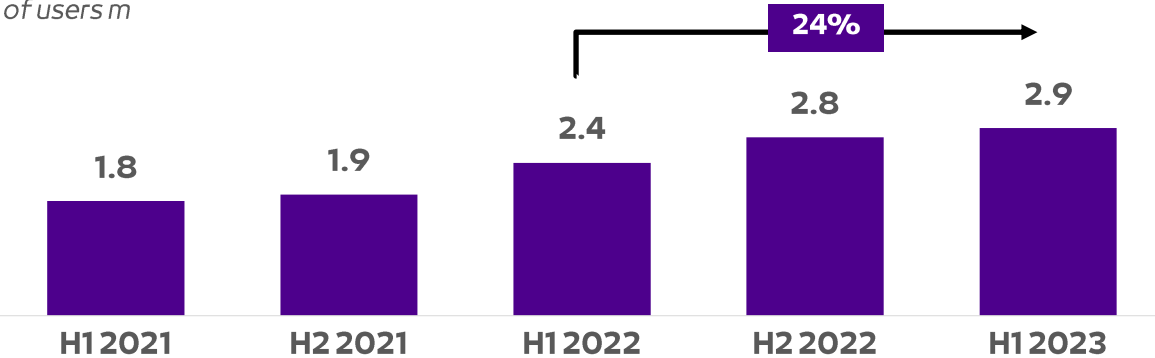
Number of delivery partner*

of drivers



Number of active users**

of users m

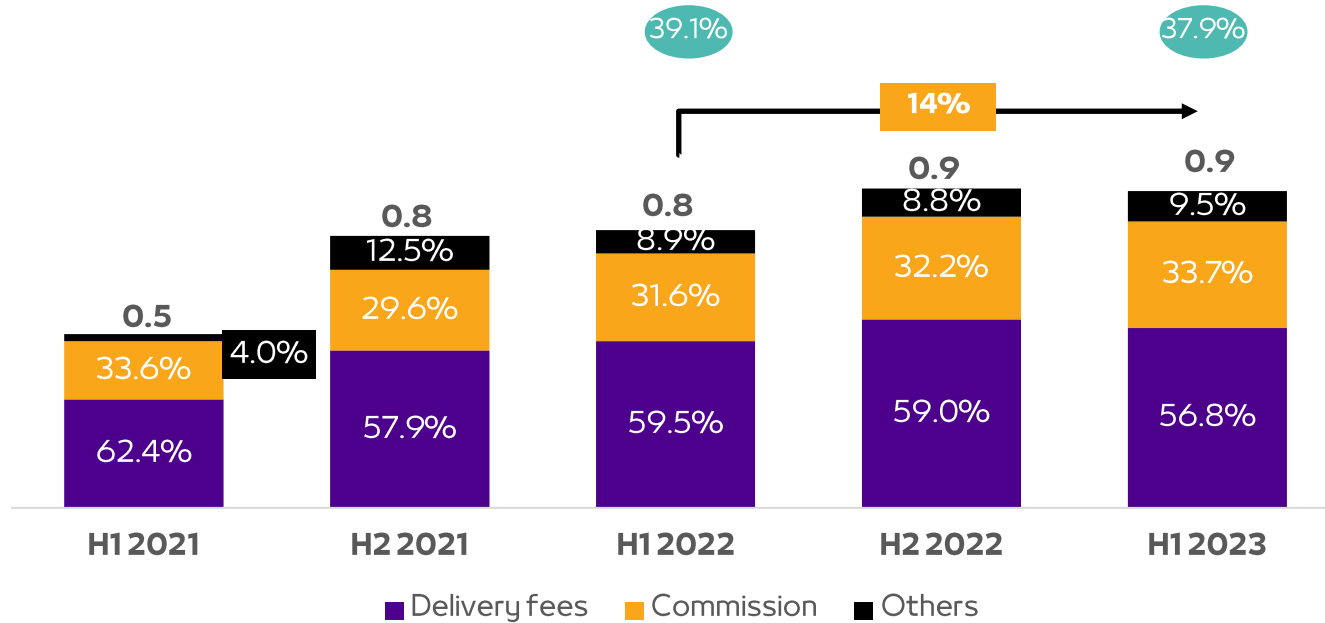


- Increased in number of merchants YOY while maintaining competitive commission rate
- Improved driver utilization (2%) YOY & (15)% vs. 2H '22 by decreasing idle drivers & better order per driver ratio
- Improved number of active users while improving customer acquisition cost

Gross revenues

Group gross revenue streams

SARb, %



Take Rate%	11.2%	11.6%	12.3%	12.5%	12.8%
Delivery fees/order	14.0	14.4	14.7	14.3	13.1

% Gross Revenue/GMV

Revenue growth with improvement in commission & delivery revenue

- Negotiating higher take rates with the merchants from 12.3% in H1 22 to 12.8% in H2 23
- Lower delivery revenue per order in line with the market dynamics & regional expansions
- Other revenue grew by 29% YoY... e-payments, advertising, subscriptions (non platform)

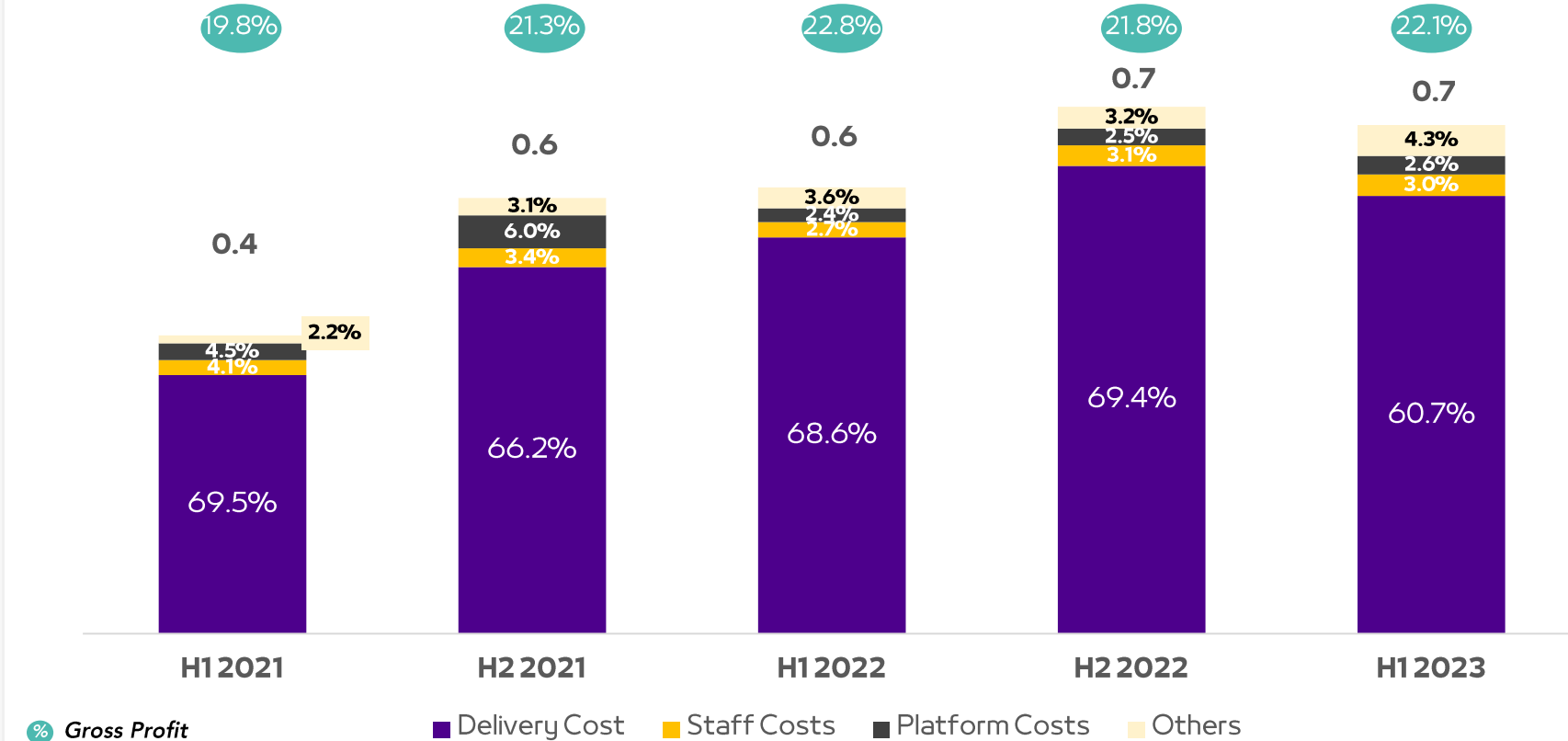
Solid partnerships with merchants improving take rate & other revenue streams



Cost of revenue

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

SARm, %



Maintaining gross profit at 22.1%

- Delivery cost are related to the external drivers (3PLs and freelancers)
- Delivery Cost (external and own fleet) decreased by 6.4% HoH from 599m to 560m
- Staff growth related to building the infrastructure to grow regionally
- Platform cost related to running the servers & Tawseel 0.37 cost paid per order
- Other costs are mainly related to depreciation & amortization, fuel and fleet costs

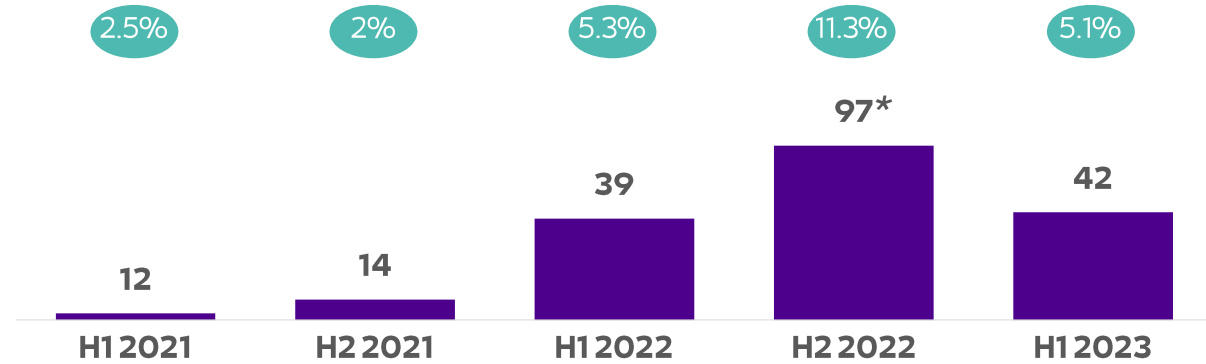
Healthy gross profit % to sales despite GCC growth ramp up cost



Operating costs

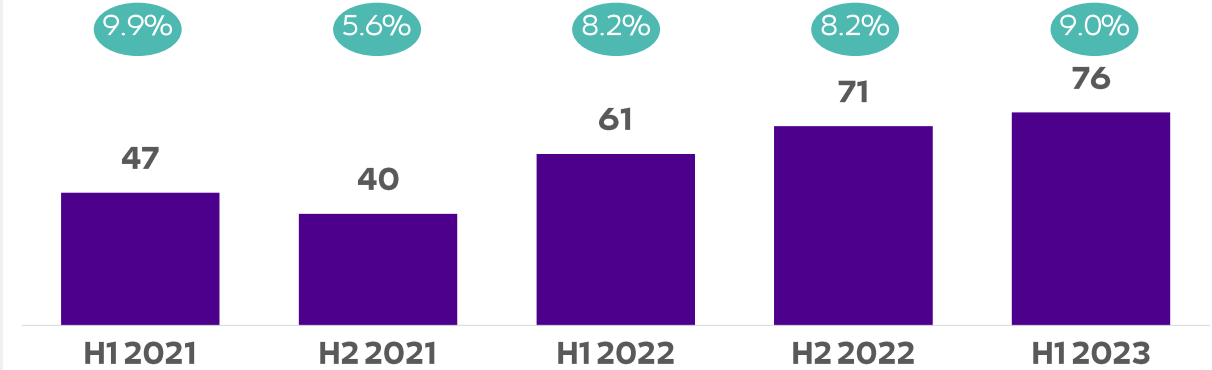
G&A

% of net revenue



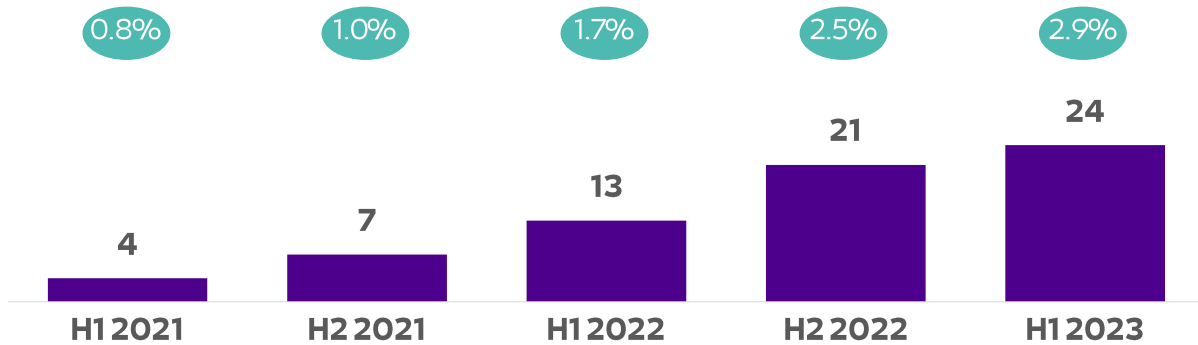
S&M

% of net revenue



R&D

% of net revenue



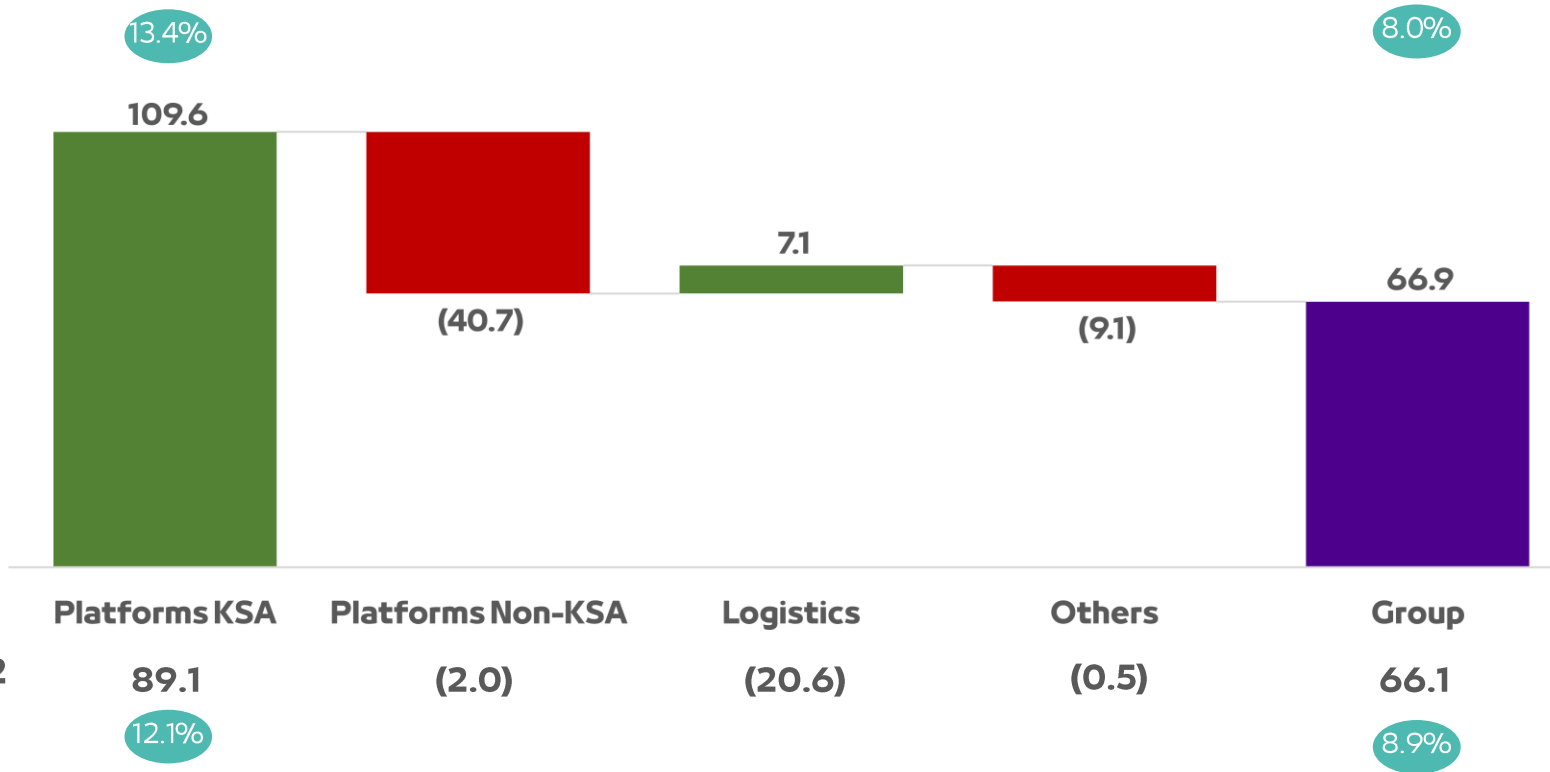
Increase in operating expenses YOY due to non-KSA expansions offset by cost efficiency in KSA

- G&A improved vs. last year due to cost controls & efficiency in KSA Logistic operations
- S&M expenses partially related to non KSA operation customer acquisition & brand awareness campaigns
- Increased R&D expenses due to building in-house software development and Data analytics capacity

EBITDA

EBITDA by segment H1 2023

SAR m



% EBITDA/ Net revenue

Flat EBITDA YoY with major improvement in KSA operations

- 23% growth in platform KSA EBITDA Excluding gulf expansions mainly driven by:
 - Improvement in Logistic management & cost utilization
 - Volume increase & better cost management efficiency
- EBITDA impact of investment with the start of operation in Kuwait & ramp up cost in Bahrain

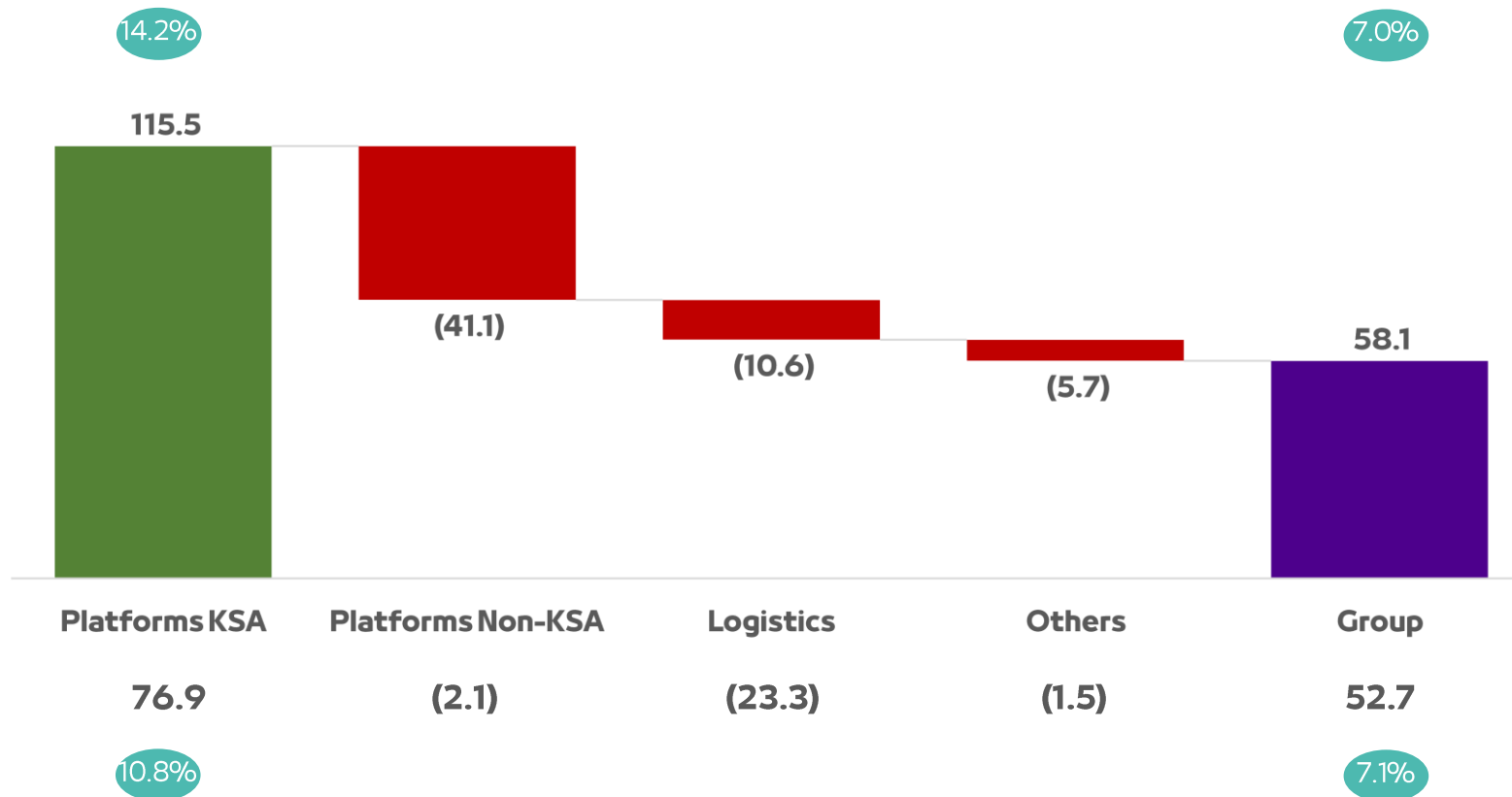
Operational profitability while sustaining business growth plans



Net profit

Net profit by segment H1 2023

SAR m



% Net profit/ Net revenue

10% YoY improvement in net profit

- Saudi operations improved as a result of improved gross profit & operating costs
- Overall KSA profitability sustains the non KSA expansion plans during ramp up period

KSA continues to lead the group profitable results

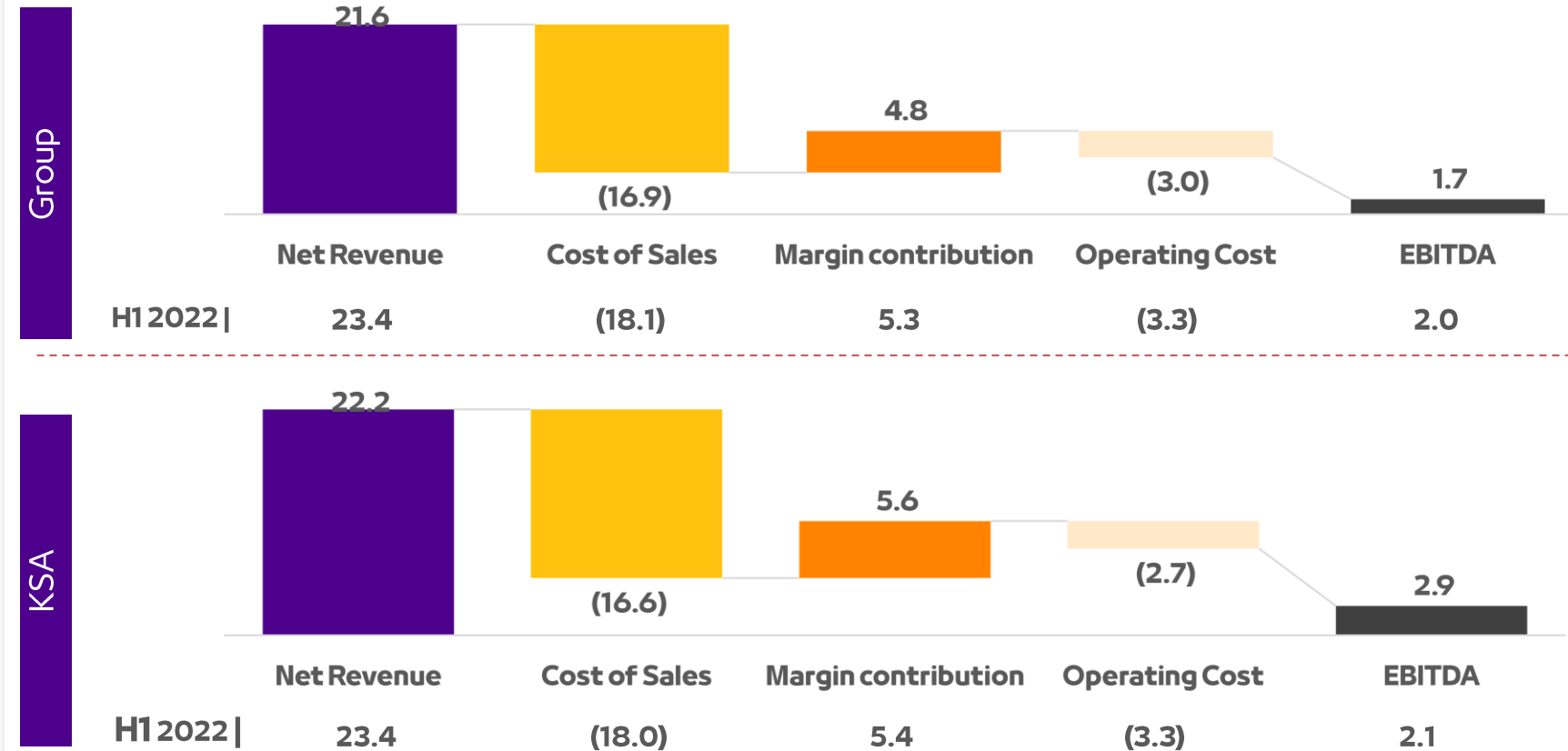
jahez

- Platforms Segment includes operations in Delivery Platforms: Jahez in KSA, PIK, & Blu store, Non-KSA includes platform in Kuwait & Bahrain
- Logistics Segment includes the logistic arm operations
- Others includes other segments (the cloud kitchen business, investment,..)

Delivery platform segment UOE

Unit of Economics H1 2023

SAR per order

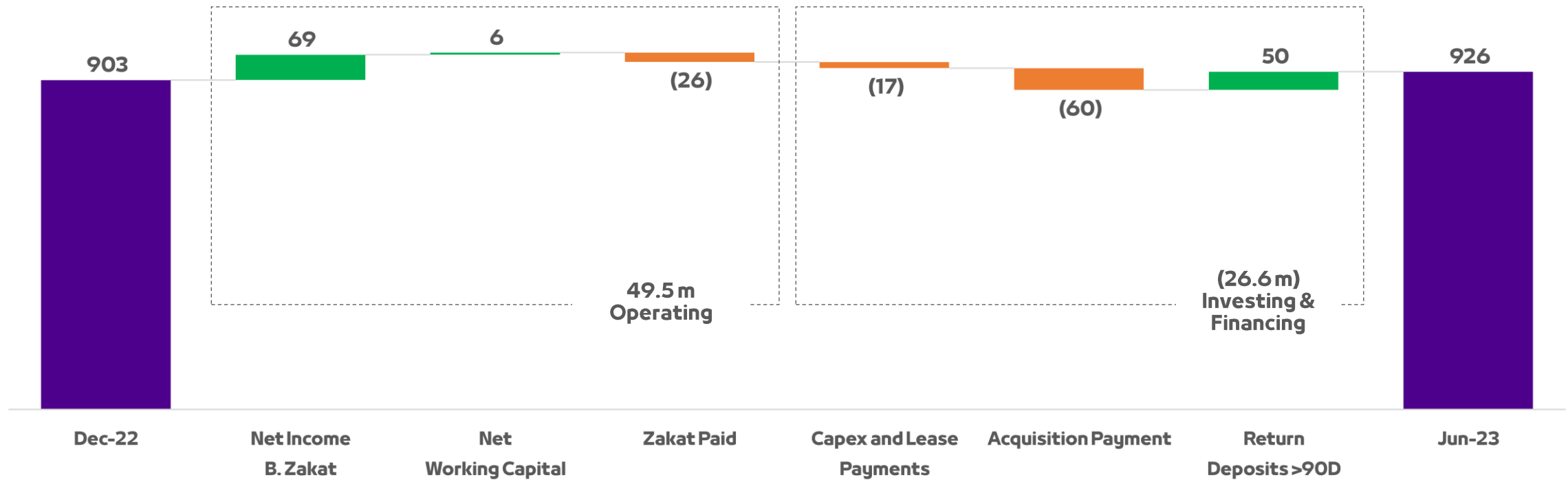


- Reduction in EBITDA UOE compared to LY due to non KSA ramp up operations
- KSA maintaining favorable EBITDA & contribution margin by managing delivery cost
- (1.7) pts drop in revenue per order due to revised delivery revenue & prime pricing
- Operating costs efficiency through shared services & cost controls
- Non KSA UOE expected to improve as business matures & reach economy of scale

KSA UOE improved YOY at EBITDA level offsetting pressure from non-KSA operation ramp up

Net cash position

SAR m



Maintaining strong positive cash position

Summary

The background features a vibrant, abstract design. It consists of several overlapping, rounded shapes in shades of red, orange, and yellow. A large, light orange shape is prominent in the center, partially overlapping a darker red shape above it and a bright yellow shape to its right. The overall composition is dynamic and modern.

1H 2023 Summary

- 1| Continued growth trend in KSA operations while maintaining healthy cost structure
- 2| Introduction of new revenue streams & partnerships while leveraging current customer base
- 3| Applying the KSA model into the GCC Expansion operation for a shared customer experience & operation efficiency
- 4| Logistic business reaching a major milestone by generating positive EBITDA at the second anniversary
- 5| Deal closing process and regulatory requirements for TheChefz acquisition



Guidance FY 2023

	FY 2023 Guidance	H1 Actual
GOV*	SAR6.7b – 7.3m	SAR3.27b
GMV	SAR4.8b – 5.4b	SAR2.34b
Revenues**	SAR1.8b – SAR2.0b	SAR0.9b
EBITDA (% revenue)	7% – 10%	8%

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Q&A

Thank You

Appendix

Top Line Definitions

SARm	H12022	H12023
GMV	1,990	2,340
Value added tax on the value of the Orde	299	345
Delivery Value	463	504
Value added tax on Delivery value	69	75
GOV	2,821	3,263

	H12022	H12023
Gross Revenue	778	887
Customers Compensation	(28)	(38)
Customers Promotion & Cashback	(10)	(13)
Net Revenue	740	836

Appendix

Segment Reporting	Delivery Platforms		Logistics	Others	Eliminations	Total H1-2023	
	SARm	KSA	Non-KSA	KSA			KSA
<u>Gross Revenues</u>		864.4	12.9	188.2	5.2	-184.0	886.7
Customer Compensations		-37.7	0.0	0.0	0.0	0.0	-37.7
Customer Promotions & Cash back		-10.6	-2.8	0.0	0.0	0.0	-13.4
<u>Net Revenues</u>		816.1	10.1	188.2	5.2	-184.0	835.6
<u>Direct Costs</u>		-603.1	-35.0	-172.8	-3.6	183.0	-631.5
Operating Costs (S&M and G&A)		-103.1	-15.9	-8.3	-10.7	1.0	-136.9
Expected Credit Losses		-0.3	0.0	0	0	0	-0.3
EBITDA		109.6	-40.7	7.1	-9.1	0.0	66.9
EBITDA % of Net Revenue		13.4%	-401.5%	3.8%	-176.4%	0.0%	8.0%
Depreciation and Amortization		-4.8	-0.4	-15.2	-4.2	0.0	-24.6
Other Income and Investment Results		22.0	0.1	0.0	7.9	0.0	29.9
Financing cost		-0.2	0.0	-2.4	-0.3	0.0	-3.0
IPO Expense		0.0	0.0	0.0	0.0	0.0	0.0
Zakat		-11.1	0.0	0.0	0.0	0.0	-11.1
Net Income (Loss) for the Year		115.5	-41.1	-10.6	-5.7	0.0	58.1

Appendix

Segment Reporting	Delivery Platforms		Logistics	Others	Eliminations	Total H1-2022	
	SARm	KSA	Non-KSA	KSA			KSA
<u>Gross Revenues</u>		775.8	0.1	138.6	1.7	-138.6	777.6
Customer Compensations		-27.5	0.0	0.0	0.0	0.0	-27.5
Customer Promotions & Cashback		-10.2	0.0	0.0	0.0	0.0	-10.3
<u>Net Revenues</u>		738.1	0.0	138.6	1.7	-138.6	739.8
<u>Direct Costs</u>		-564.6	-1.1	-141.6	-1.2	138.6	-569.8
Operating Costs (S&M and G&A)		-88.2	-0.9	-17.6	-1.0	0.0	-107.7
Expected Credit Losses		3.8	0.0	0.0	0.0	0.0	3.8
EBITDA		89.1	-2.0	-20.6	-0.5	0.0	66.1
EBITDA % of Net Revenue		12.1%	-6825.5%	-14.8%	-29.1%	0.0%	8.9%
Depreciation and Amortization		-2.2	-0.1	-2.7	-0.8	0.0	-5.9
Other Income and Investment Results		6.4	0.0	0.0	-0.1	0.0	6.3
Financing cost		-0.6	0.0	0.0	-0.1	0.0	-0.7
Zakat		-13.1	0.0	0.0	0.0	0.0	-13.1
Net Income (Loss) for the Year		79.6	-2.1	-23.3	-1.5	0.0	52.7

Definitions

GMV The gross merchandise value of products sold in a certain market in a specific period, excluding the following:

- value added tax on the value of the order.
- The total delivery value.
- 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:

- value added tax on the value of the order.
- The total delivery value.
- 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.

Gross Revenues Excludes the impact of cashback and compensations paid to customers classified in the FS as deduction of revenues as per IFRS15