

# jahez

Earnings Call 2022 FS | 22<sup>nd</sup> of March 2023

# Disclaimer

The information in this presentation does not purport to be comprehensive and has not been independently verified by the Company or any of their respective members, directors, officers, employees, agents or affiliates. Except in the case of their respective fraudulent misrepresentation, no responsibility or liability is accepted by the Company or by any of their respective members, directors, officers, employees, agents or affiliates as to or in relation to the accuracy, completeness or sufficiency of this presentation or any other written or oral information made available to any interested party or its advisers or for any loss whatsoever arising from or in connection with use of or reliance on this presentation and any such liability is expressly disclaimed. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information or opinions contained in this document and no reliance should be placed on such information or opinions. The information contained in this document is subject to change without notice and may not contain all material information relating to the products, investment and transaction referred to herein. None of the Company nor any of its group undertakings or affiliates is under any obligation or give any undertaking to provide the recipient with access to any additional information or to update this presentation or any additional information or to correct any inaccuracies in it which may become apparent, and it reserves the right, without giving reasons, at any time and in any respect to amend or terminate the presentation described herein.

In particular, but without limitation, no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, opinions, estimates, forecasts, targets, prospects, returns or other forward-looking statements contained herein. Any such projections, estimates, forecasts, targets, prospects, returns or other forward-looking statements are not a reliable indicator of future performance. Nothing in this presentation should be relied upon as a promise or representation as to the future. Neither the Company nor any of their respective members, directors, officers, employees, affiliates or agents nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

The Information may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and its investments, including, among other things, the development of its business, financial condition, prospects, growth, strategies, as well as the trends in the industry and macroeconomic developments in Kingdom of Saudi Arabia. Many of these risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as future market conditions, currency fluctuations, the behaviour of other market participants, the actions of regulators and any changes in applicable laws or government policies. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur and past performance should not be taken as a guarantee of future results. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to update, supplement, amend or revise any such forward-looking statement. Except where otherwise indicated, the Information and the opinions contained herein are provided as at the date of the presentation and are subject to change without notice. Past performance of the Company cannot be relied on as a guide to future performance. Nothing in this presentation is to be construed as a profit forecast.

# Speakers



**Ghassab Al Mandeel**  
**Group CEO**



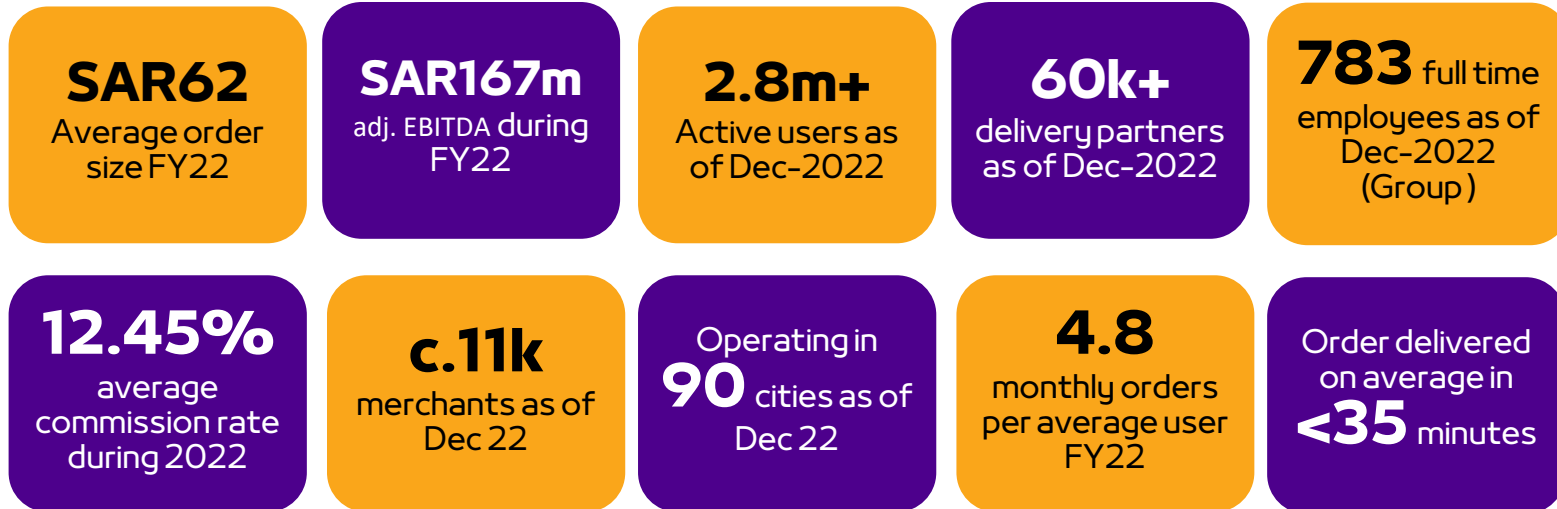
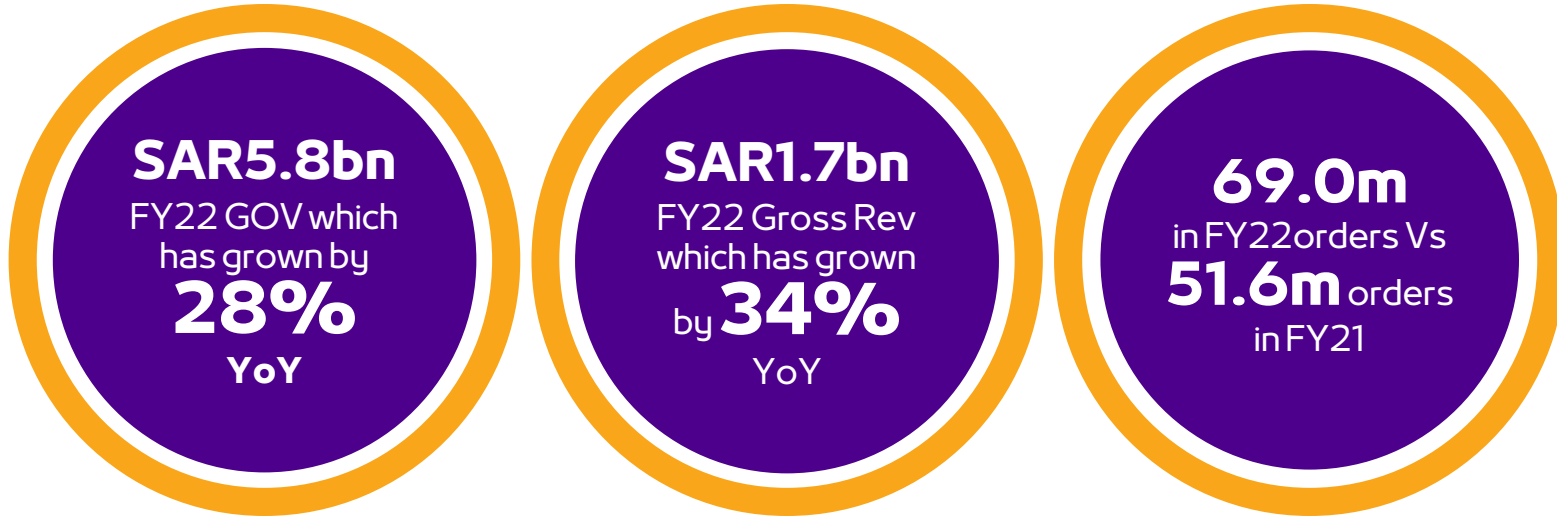
**Heni Jallouli**  
**Group CFO**

# 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 2022

## Consistent Profitable Growth



# 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<sup>STORE</sup>

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



## POS and Payment Solutions

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

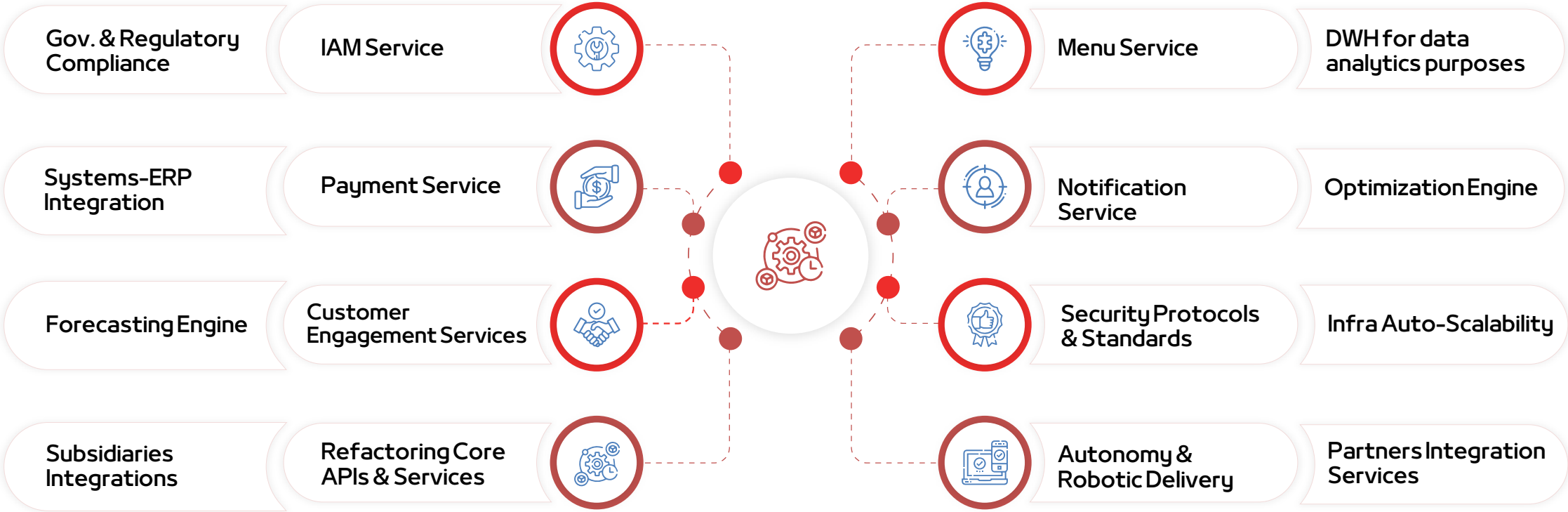
# jahez

Group



# Business Highlights - 2022

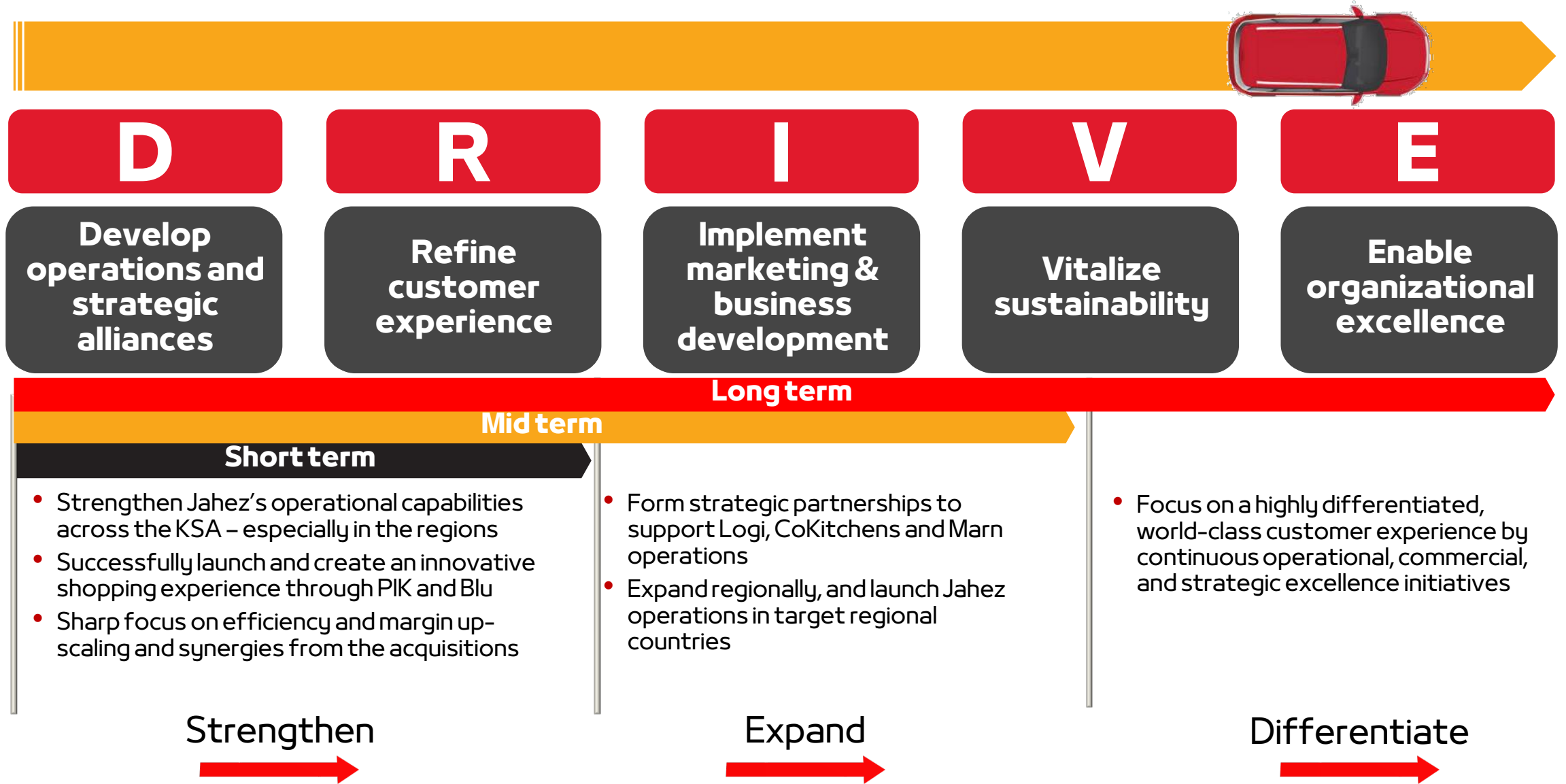
Our Primary focus during 2022 was to reinforce & build a strong IT assets foundation & Infrastructure, to accommodate our strategic goals and expansions:



The background features a vibrant, abstract design with overlapping organic shapes in shades of red, orange, and yellow. The word "Strategy" is prominently displayed in white, bold, sans-serif font on the left side of the image.

**Strategy**

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

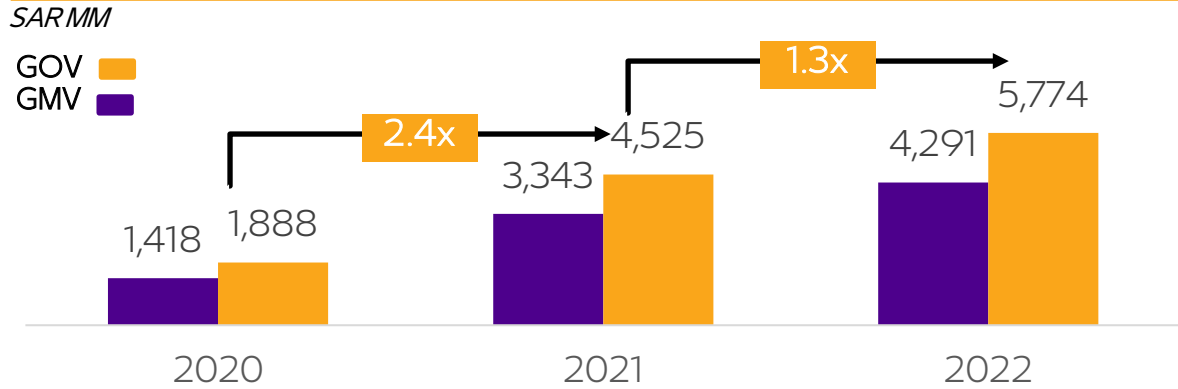


The background features a vibrant, abstract design with overlapping organic shapes in shades of red, orange, and yellow. The text is positioned on the left side of the frame.

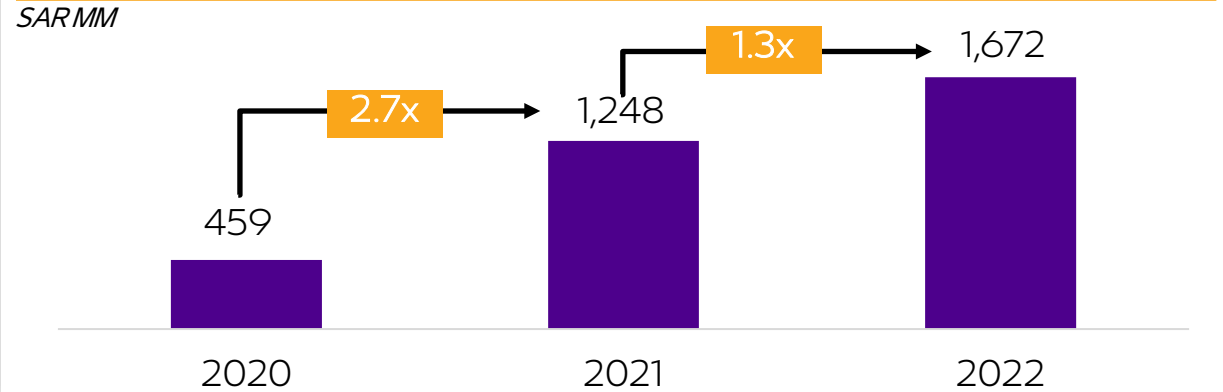
# Financial & Operational Performance

# Continued profitable growth

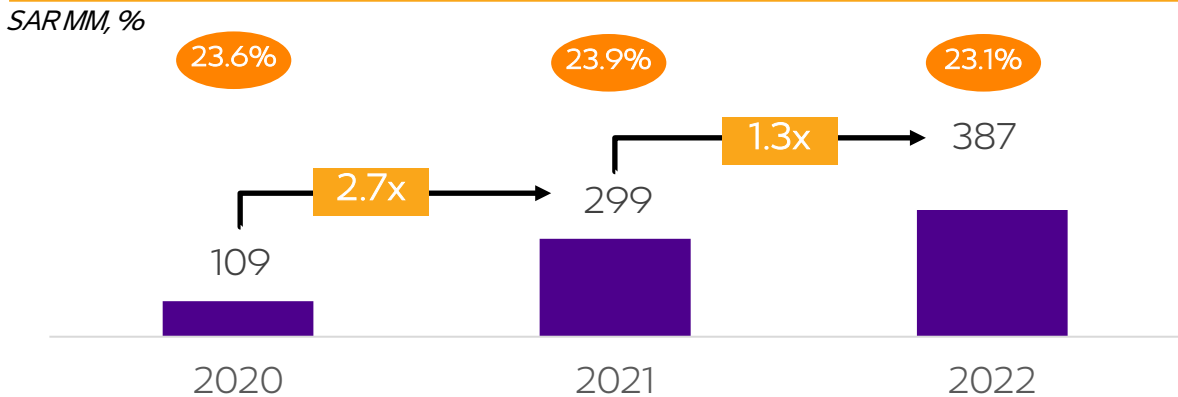
## Growth in GOV and GMV across our markets...



## ...With faster revenue growth...

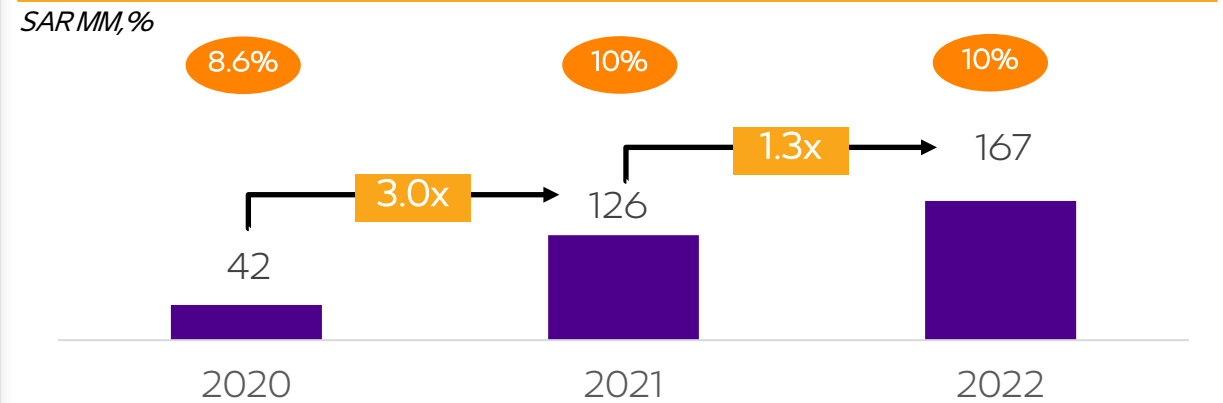


## ...continuous expansion in gross profit\* ...



% Adjusted Gross Profit / Gross Revenue

## ...And improvement in Adj. EBITDA

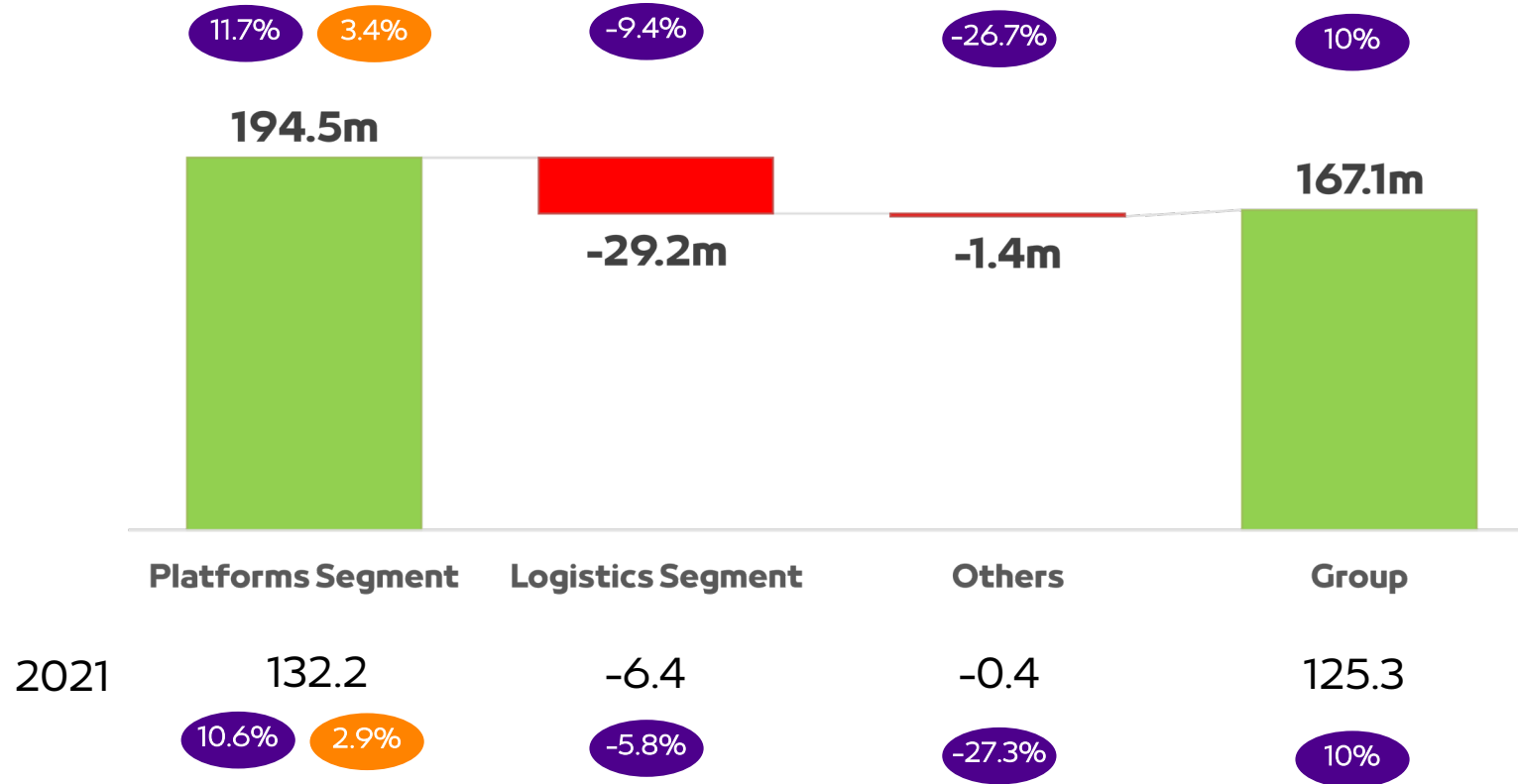


% Adjusted EBITDA / Gross Revenue

# 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)

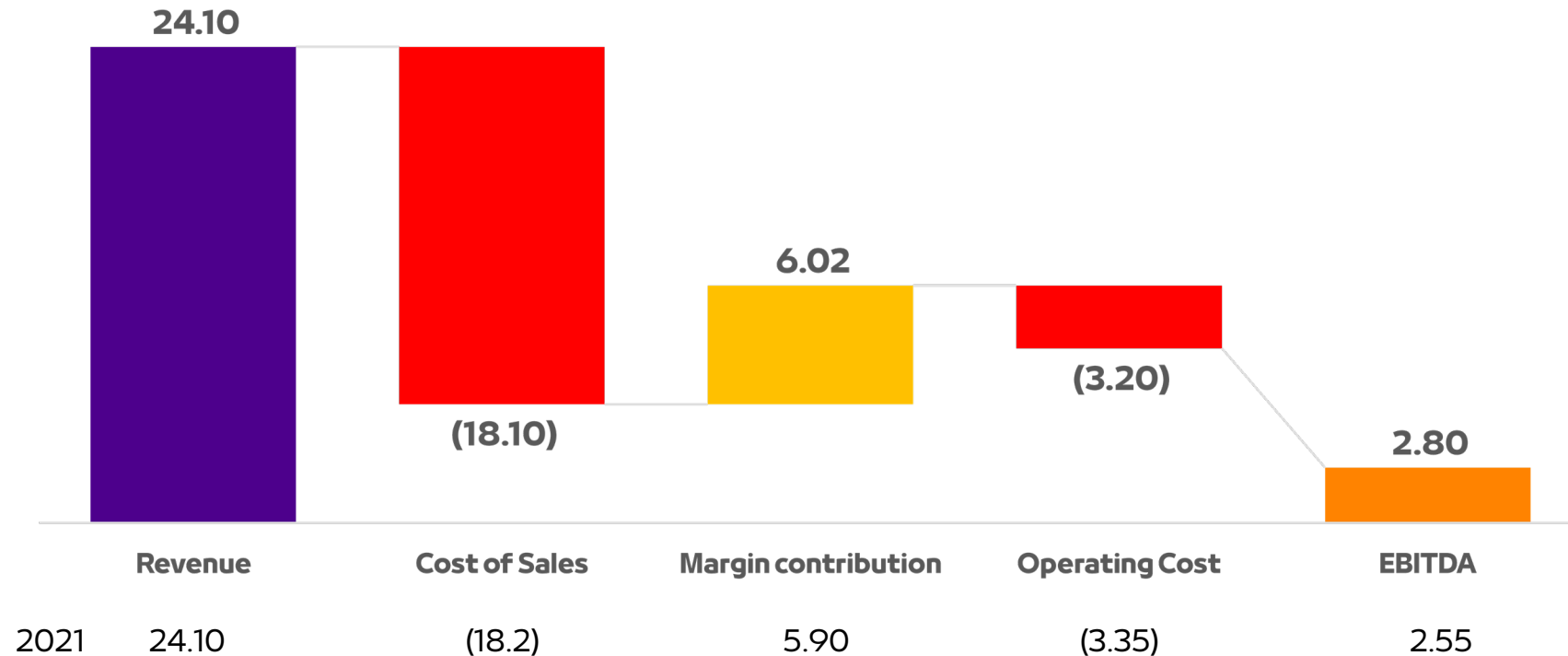


- Platforms Segment includes operations in Delivery Platforms: Jahez in KSA, Bahrain and Kuwait- PIK - Blu store
- Logistics Segment includes the logistic arm operations
- Others includes other segments (the cloud kitchen business, investment,..)

# Delivery platforms segment

## Unit Economics 2022

SAR per order

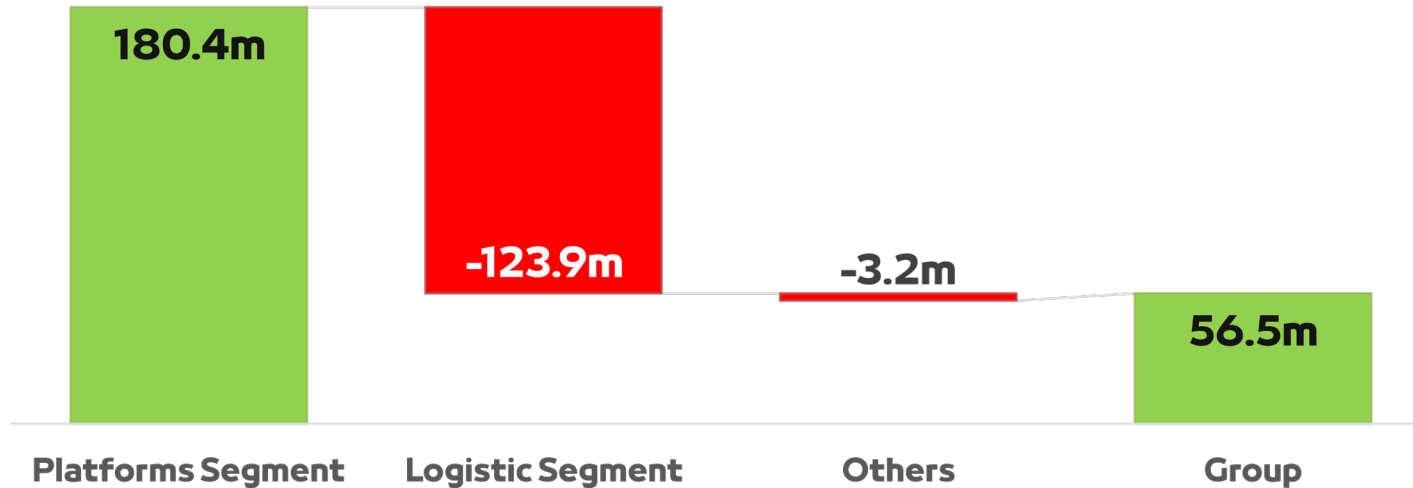


- ✓ Revenue per order in the same level despite the pricing strategy in the new regions and Prime
- ✓ Improvement across different cost of sales components due to efficiency from continuous operations growth and leading to an increase in gross margin contribution despite the increase in platform cost and the 'Tawseel' platform (0.37/Order)
- ✓ Operating costs improvement by 0.15 SAR 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, %



2021	Platforms Segment	Logistic Segment	Others	Group
	115.9m	-6.4m	7.2m	116.7m

- ✓ 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



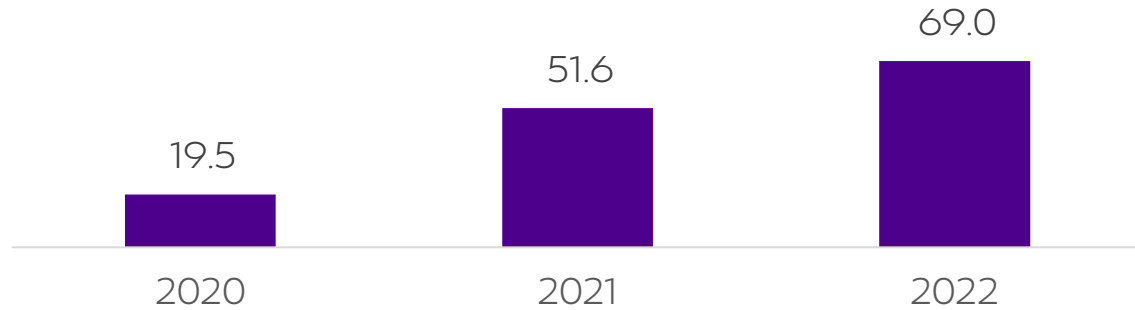
- Platforms Segment includes operations in Delivery Platforms: Jahez in KSA, Bahrain and Kuwait- PIK - Blu store
- Logistics Segment includes the logistic arm operations
- Others includes other segments (the cloud kitchen business, investment,..)



# Operational KPIs – Delivery Platforms Segment

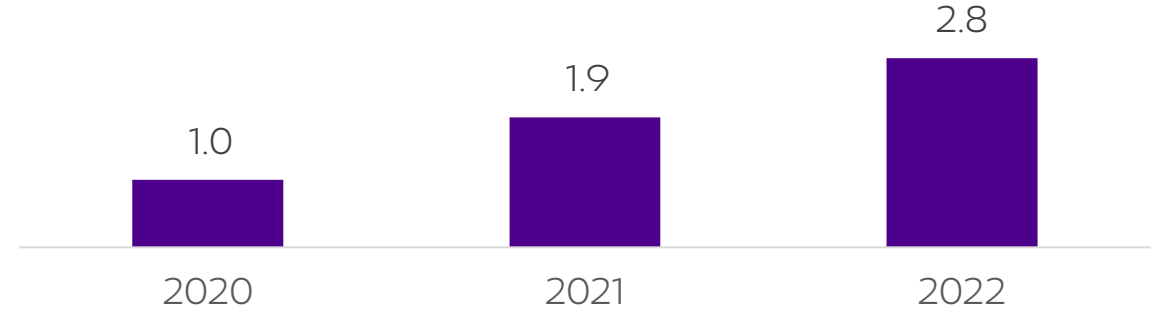
## Number of orders

# of orders (m)



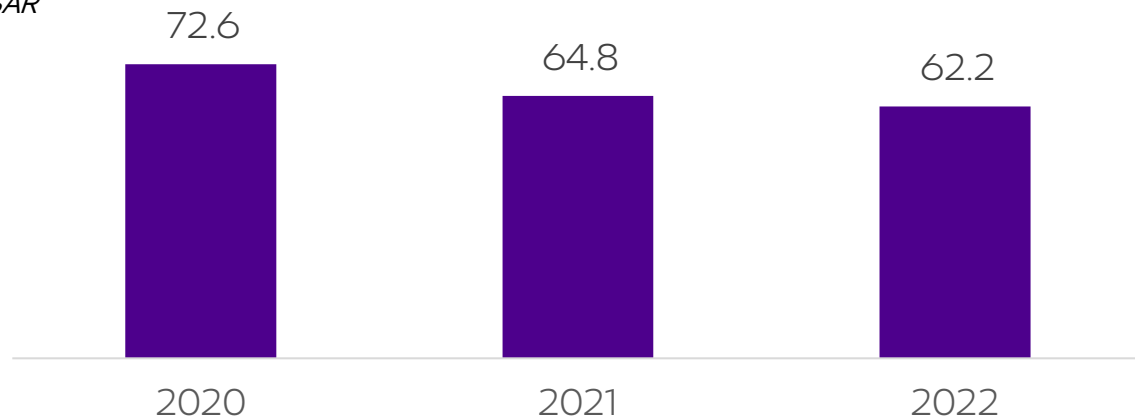
## Number of active users

# of users (m)



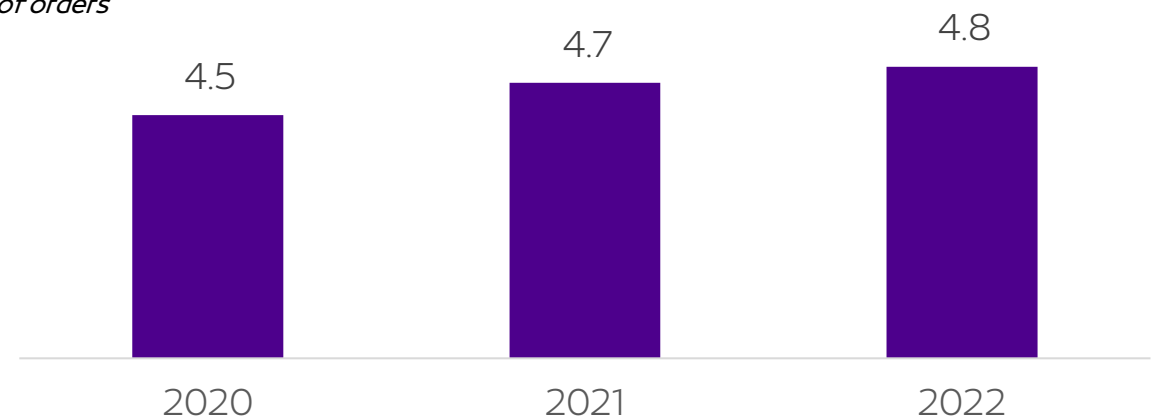
## GMV per order

SAR



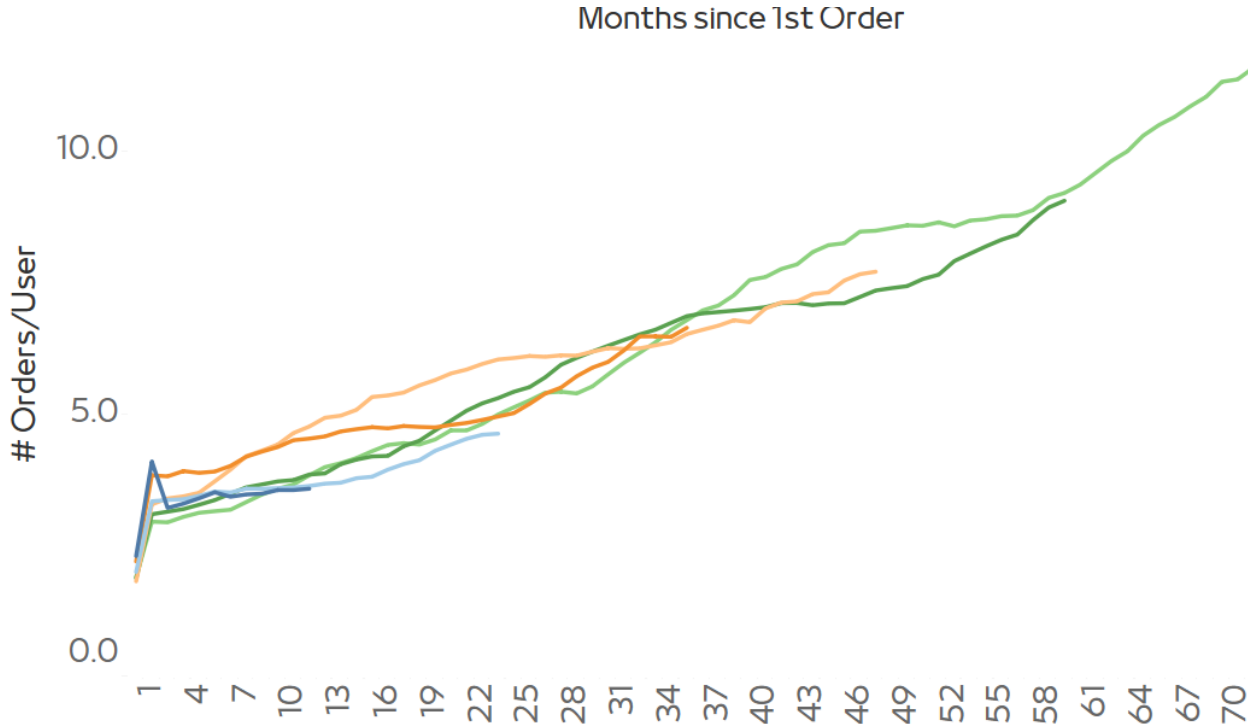
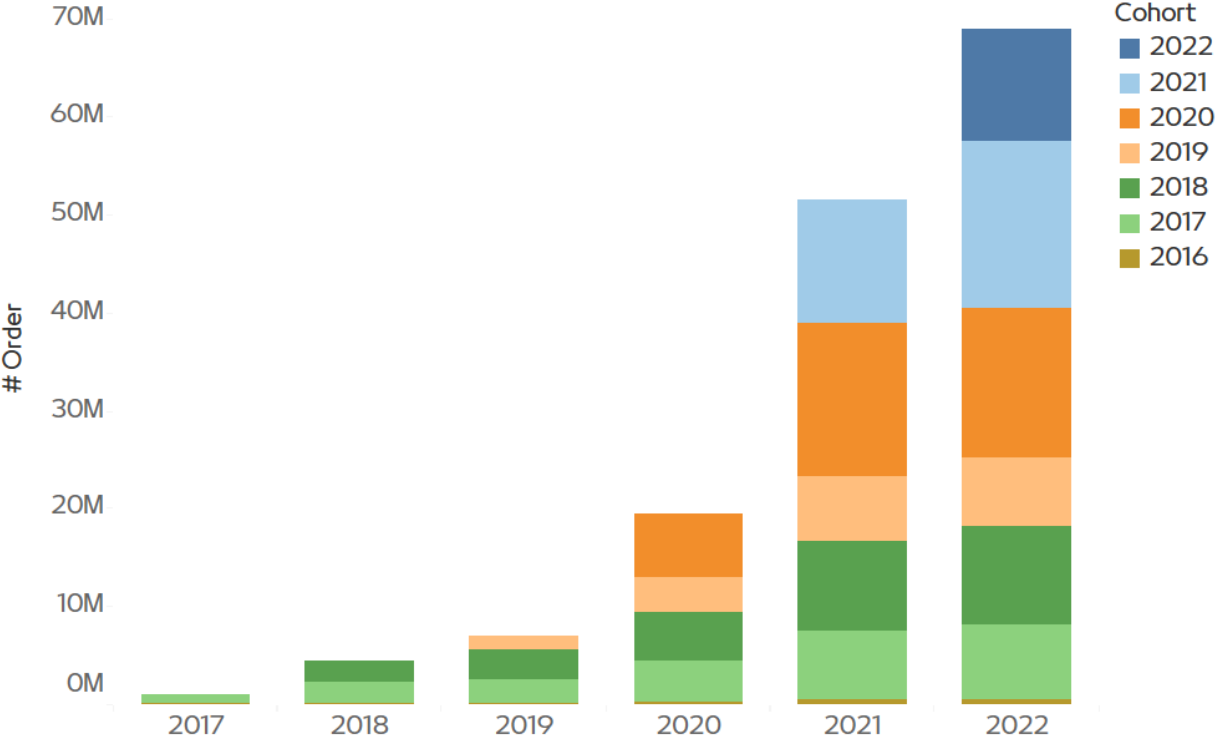
## Orders per user (monthly)

# of orders



# Operational KPIs - Delivery Platforms Segment

Orders by Cohort

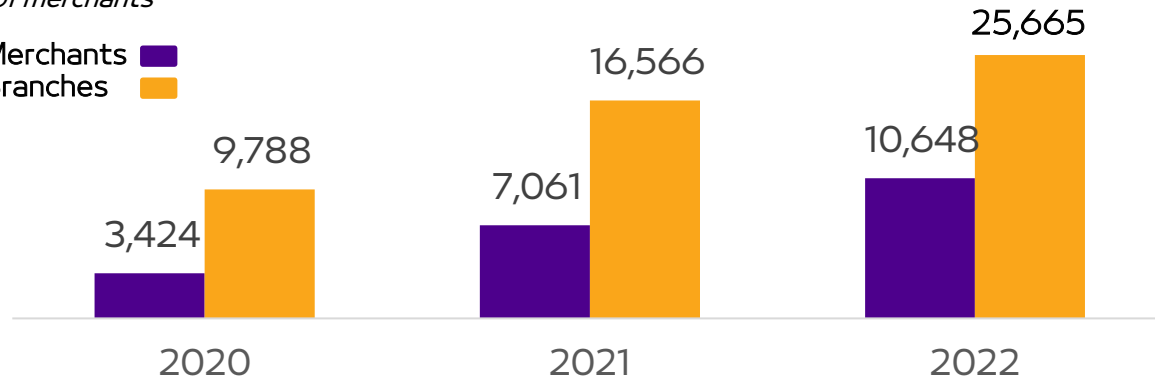


# Operational KPIs – Delivery Platforms Segment

## Number of merchants (Year End)

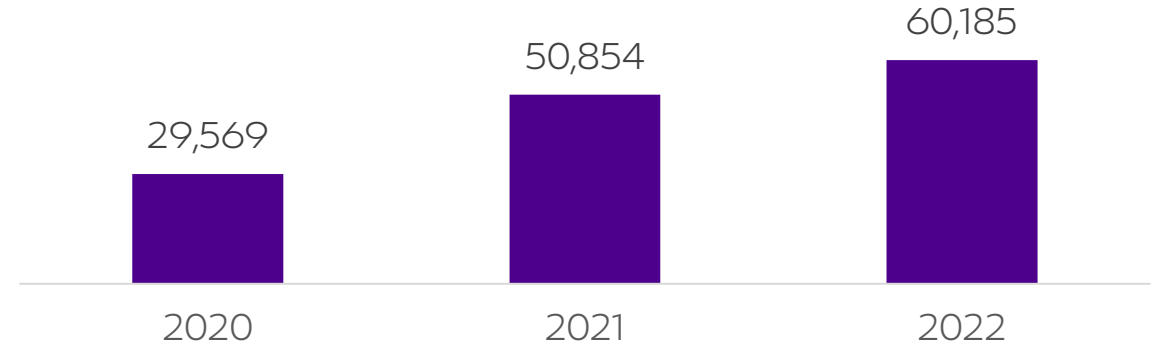
# of merchants

Merchants   
Branches 



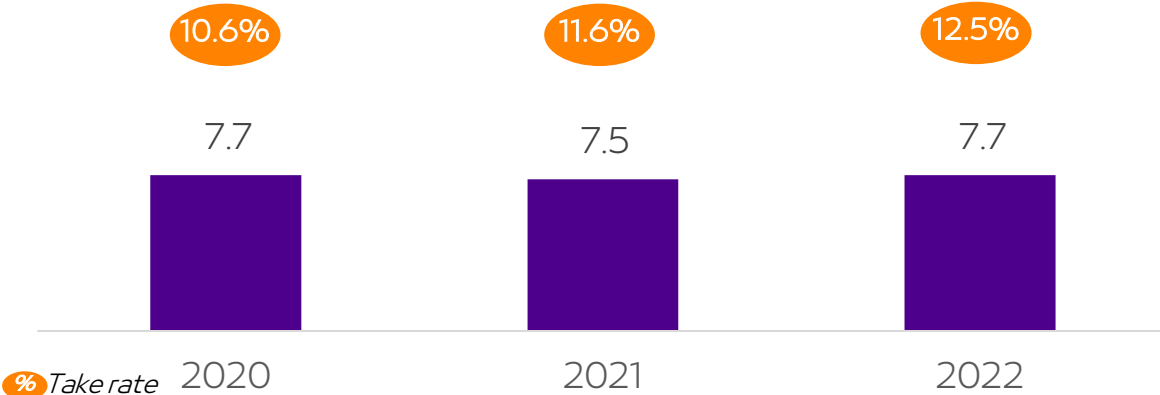
## Number of delivery partners (Year End)

# of Drivers



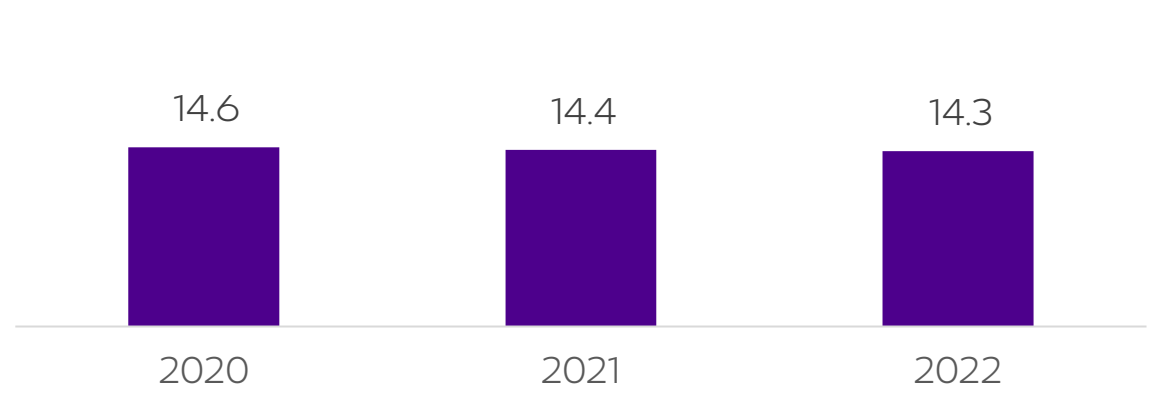
## Average commission per order

SAR, %



## Average delivery fees per order

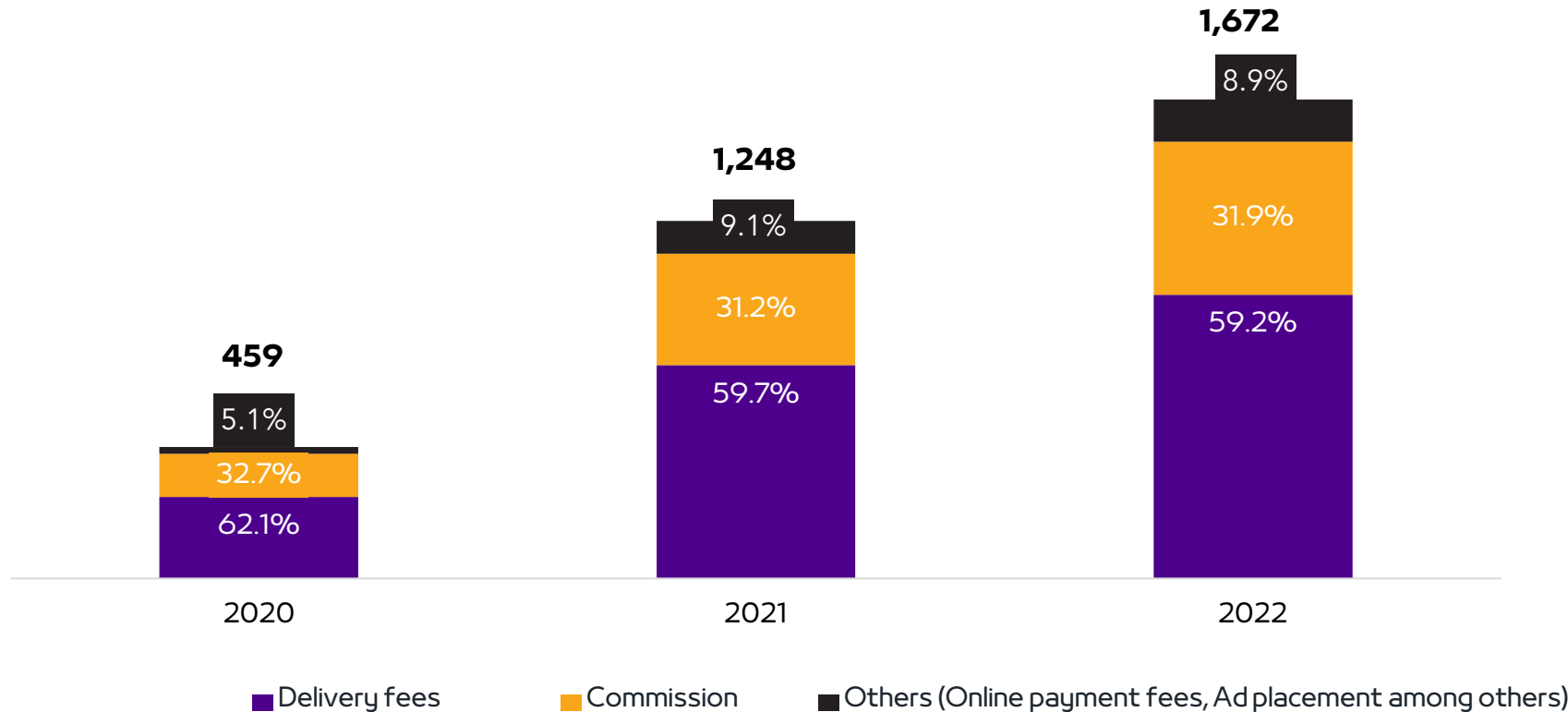
SAR



# Gross Revenues\*

## Group revenue streams

SARMM, %



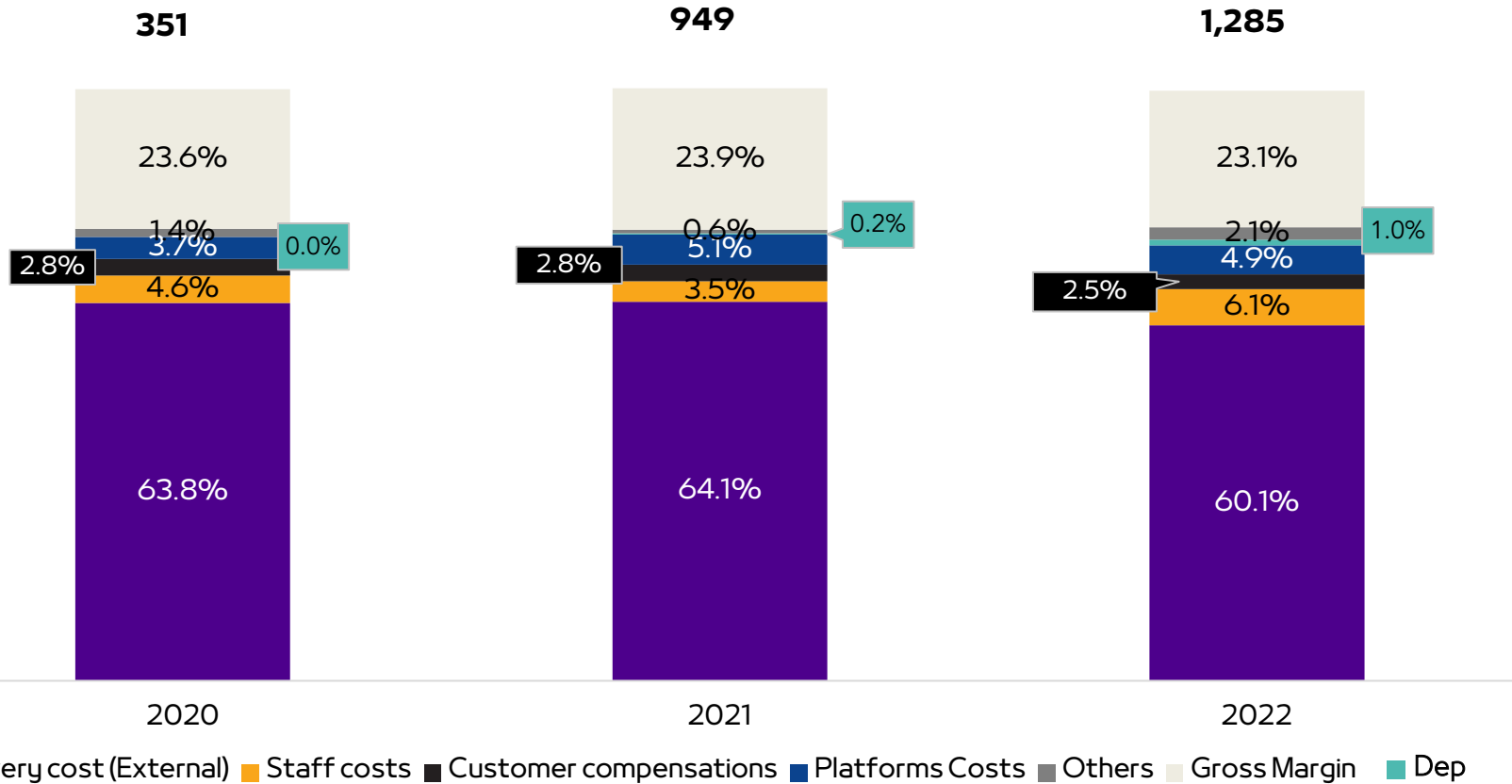
### ✓ 34% YoY Revenue growth driven by faster than the GMV growth of 28%

- 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)

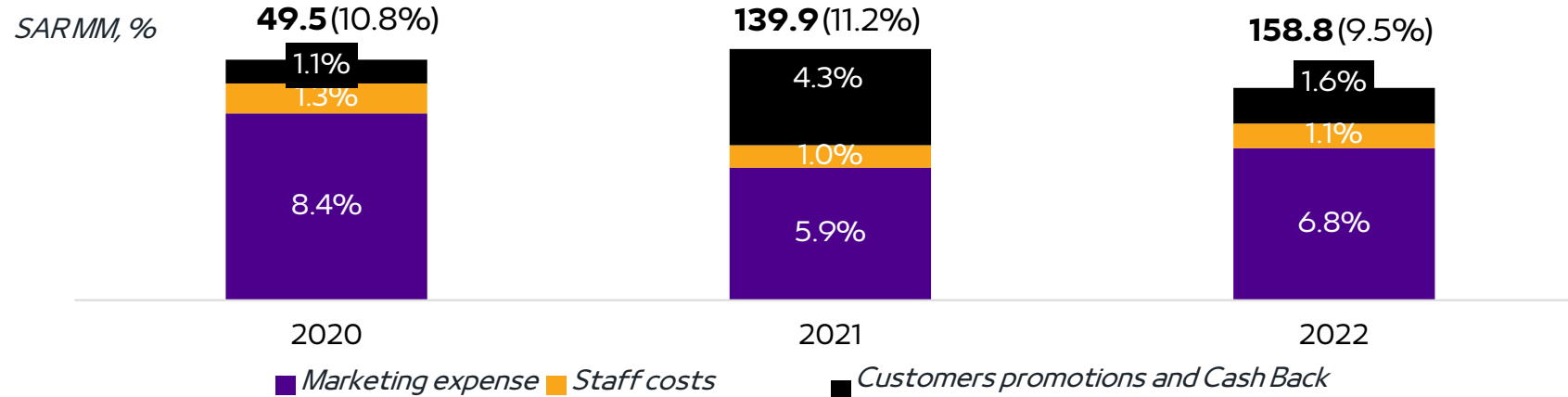
SARMM, %



- ✓ 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

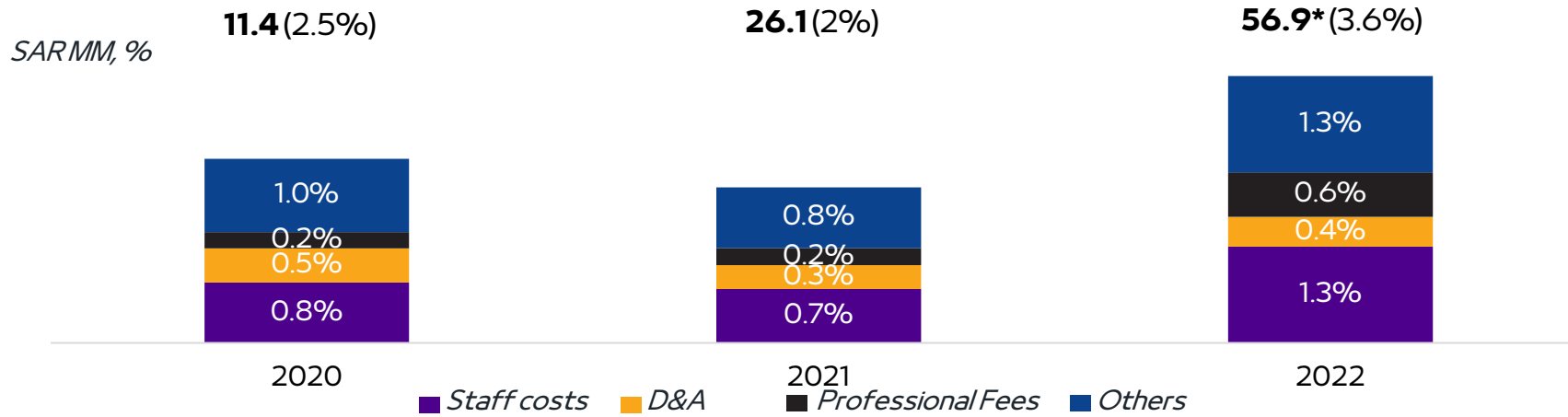
# Highly efficient and controlled cost base

## 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



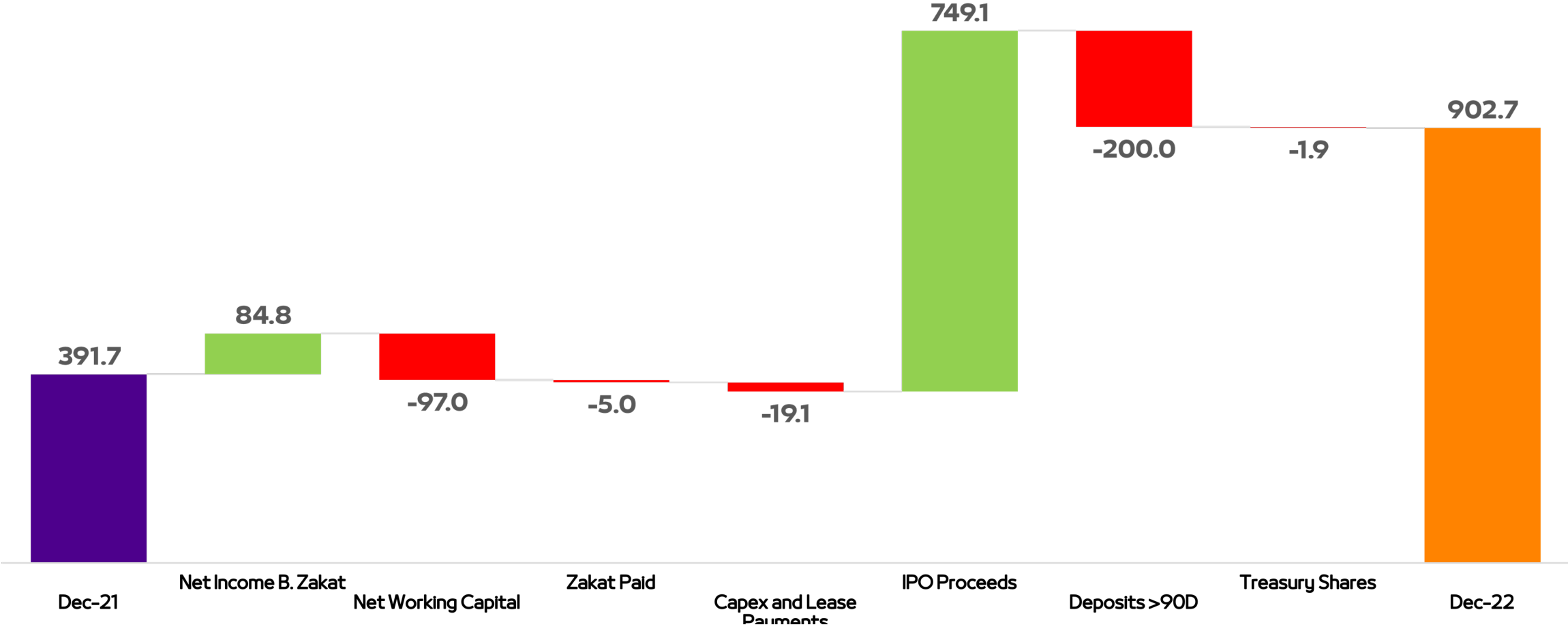
(\*) S&M Including Customer Promotions and Cash Back expenses presented in deduction of revenues

(\*\*) G&A Excluding SAR80m of Other Drivers Related Cost (Idle Capacity)

# Net Cash

## Strong Cash Position

SARMM



# 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 yellow shape to its right. The overall composition is dynamic and modern.



# 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

Jahez Full Year 2022 Earning Call Recording

# Appendix

## Top Line Definitions

SARMM

	2022	2021	2020
<b>GMV</b>	<b>4,291</b>	<b>3,343</b>	<b>1,418</b>
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
<b>GOV</b>	<b>5,774</b>	<b>4,525</b>	<b>1,888</b>
	2022	2021	2020
<b>Gross Revenue</b>	<b>1,672</b>	<b>1,248</b>	<b>459</b>
Customer Compensations	(42)	(35)	(13)
Customer Promotions & Cash back	(27)	(53)	(5)
<b>Net Revenue</b>	<b>1,602</b>	<b>1,160</b>	<b>441</b>

# Appendix

## Costs Definitions

SARMM

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

# Appendix

<u>Segment Reporting</u>	<u>Delivery Platforms</u>	<u>Logistics</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total 2022</u>
SARm					
<b><u>Gross Revenues</u></b>	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
<b><u>Net Revenues</u></b>	1,597.3	310.4	5.2	-310.4	1,602.5
<b><u>Direct Costs</u></b>	-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
<b>Adj. EBITDA</b>	<b>194.5</b>	<b>-29.2</b>	<b>-1.4</b>	<b>3.2</b>	<b>167.1</b>
	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
<b>Net Income (Loss) for the Year</b>	<b>180.4</b>	<b>-123.9</b>	<b>-3.2</b>	<b>3.2</b>	<b>56.5</b>

# Appendix

Segment Reporting	Delivery Platforms	Logistics	Others	Eliminations	Total 2021
SARm					
<b><u>Gross Revenues</u></b>	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
<b><u>Net Revenues</u></b>	1,158.1	110.7	1.5	-110.7	1,159.6
<b><u>Direct Costs</u></b>	-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
<b>Adj. EBITDA</b>	<b>132.2</b>	<b>-6.4</b>	<b>-0.4</b>	<b>0.0</b>	<b>125.3</b>
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
<b>Net Income (Loss) for the Year</b>	<b>115.9</b>	<b>-6.4</b>	<b>7.3</b>	<b>0.0</b>	<b>116.7</b>

# 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 delivery value paid by the customer.
  - 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 delivery value paid by the customer.
  - 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.