FINANCIAL PERFORMANCE 2019
DELICE HOLDING

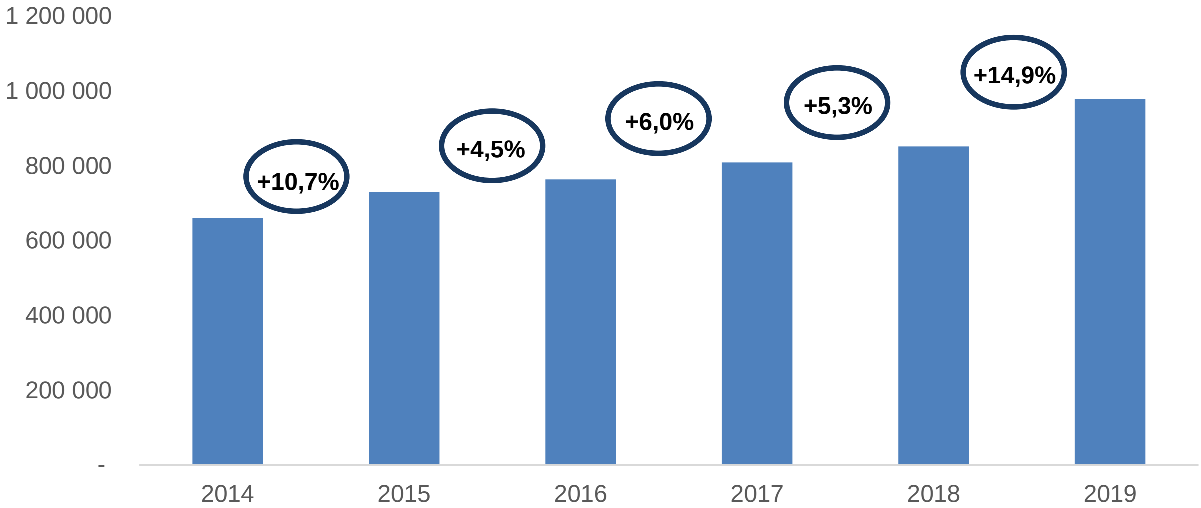
INCOME STATEMENTS

INCOME STATEMENTS 2014-2019

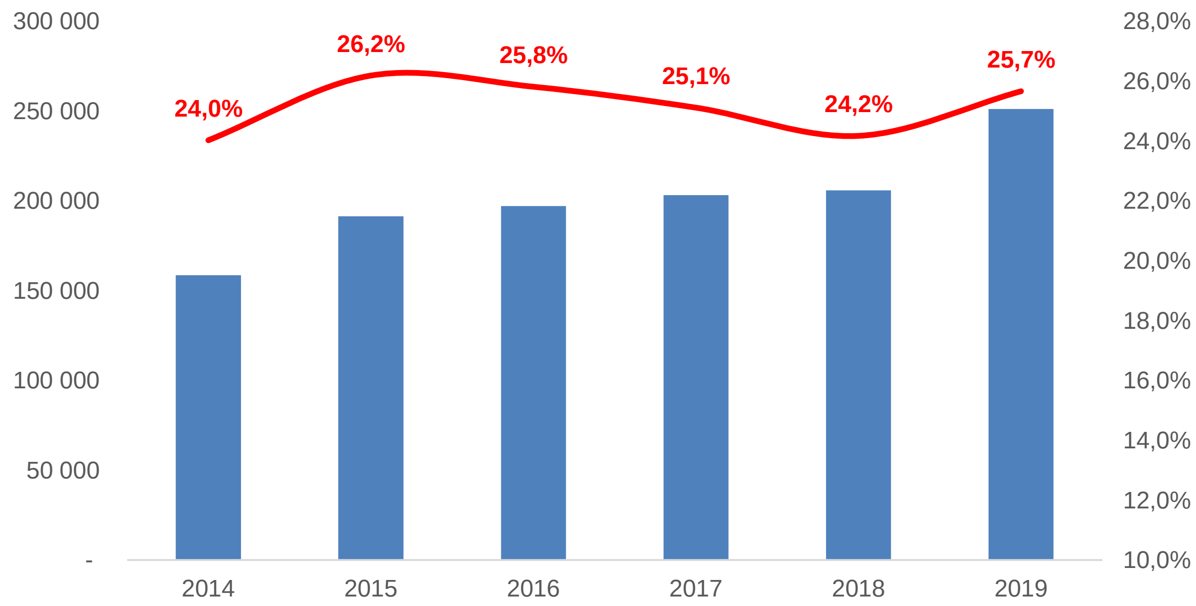
Consolidated Income Statement - Délice Holding						
In KTND	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
Total Revenue	660 395	730 802	763 736	809 229	851 780	978 759
Consumed Purchases	(501 025)	(564 264)	(556 642)	(604 472)	(644 801)	(740 942)
Changes In Inventories of FG and WIP	(691)	24 854	(9 936)	(1 502)	(1 070)	13 375
Gross Profit	**158 679**	**191 392**	**197 158**	**203 255**	**205 909**	**251 192**
Gross Margin	*24,0%*	*26,2%*	*25,8%*	*25,1%*	*24,2%*	*25,7%*
Personal Expenses	(52 702)	(60 135)	(64 490)	(69 699)	(75 966)	(82 546)
Deprecation & Amortization Expenses	(25 667)	(33 253)	(32 593)	(31 963)	(36 332)	(46 779)
Other Operating Expenses	(38 770)	(40 112)	(42 900)	(42 421)	(45 417)	(61 922)
Operating Income	**41 540**	**57 892**	**57 175**	**59 172**	**48 194**	**59 945**
Operating Margin	*6,3%*	*7,9%*	*7,5%*	*7,3%*	*5,7%*	*6,1%*
Non Recurring Items	(110)	(1 361)	469	190	2 916	10 451
EBIT	**41 430**	**56 531**	**57 644**	**59 362**	**51 110**	**70 396**
EBIT Margin	*6,3%*	*7,7%*	*7,5%*	*7,3%*	*6,0%*	*7,2%*
Net Interest Expenses	(7 393)	(6 706)	(7 559)	(9 965)	(13 016)	(17 928)
Net Income Before Tax	**34 037**	**49 825**	**50 085**	**49 397**	**38 094**	**52 468**
Income Tax Expense	(8 781)	(9 711)	(13 072)	(10 346)	(8 040)	(9 457)
Profit After Tax	**25 256**	**40 114**	**37 013**	**39 051**	**30 054**	**43 011**
Effective Tax rate	*25,8%*	*19,5%*	*26,1%*	*20,9%*	*21,1%*	*18,0%*
Non controlling interests	(569)	65	97	427	(838)	(3 518)
Net Income to the parent	**25 825**	**40 049**	**36 916**	**38 624**	**30 892**	**46 529**
Net Income margin	***3,9%***	***5,5%***	***4,8%***	***4,8%***	***3,6%***	***4,4%***

INCOME STATEMENTS 2014-2019

Consolidated Revenues (2014-2019)
In KTND



Gross Margin (2014-2019)
In KTND

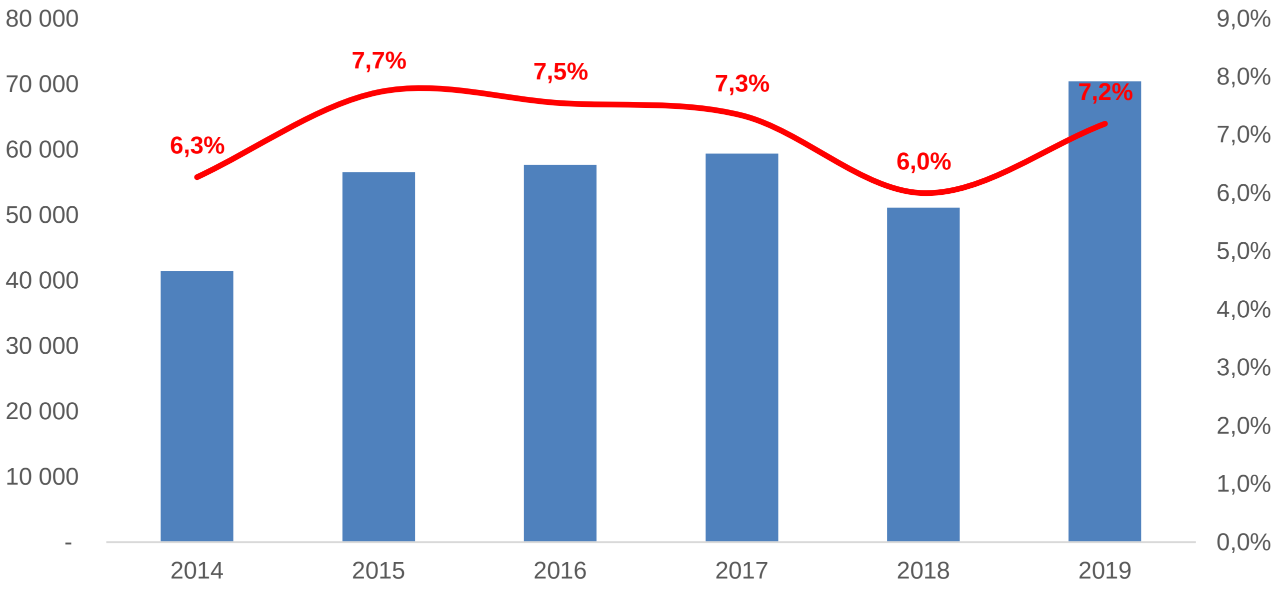


- Our consolidated revenues amounted to **978,8 million TND**, **14,9%** higher than **2018**.
- This increase was boosted by all segments that increased at double-digits growth rates. The Milk revenue increased as well, in spite of difficulties that the Milk market is enduring..
- The Group milk reception amounted to a record **400 million Liters** in 2019 **(+8,2%** Vs. 2018), which represents **66%** of the Market.
- Beverages segment made a solid **+21%,** in terms of revenues growth. Furthermore, the cheese segment revenues increased by **25%** on a YoY basis.

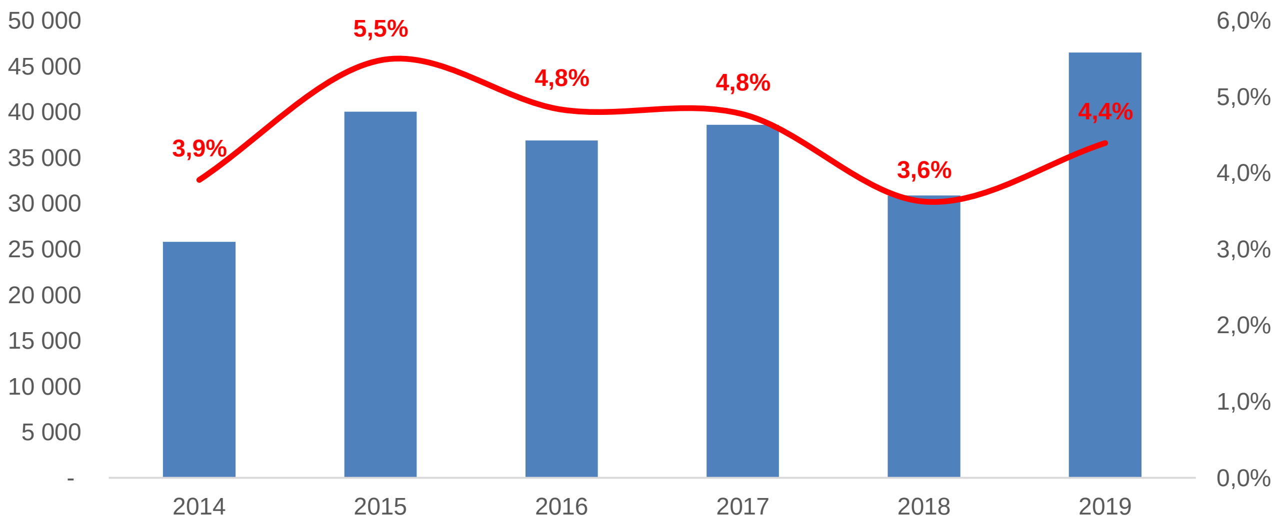
- In spite of the inflationary pressures and the depreciation of the TND, the Group managed to increase its gross profit to **251,2 million TND** (Vs. **205,9 million TND in 2018**).
- However, The gross margin increased to **25,7%** (Vs. **24,2%** in **2018**). This was the result of a better mix product, that helped the Group improving its performance indicators, and be less and less dependent to subsidized milk.

INCOME STATEMENTS 2014-2019

Earnings Before Interests and Taxes (EBIT) (2014-2019)
In KTND



Net Income (2014-2019)
In KTND



- The group's operating income increased by **24,4%**, to reach **59,9 million TND** (Vs. **48,2 million TND**).

- This performance has boosted the EBIT that grew by **37,7%** to reach **70,4 million TND** (vs. **51,1 million TND**). The successful exit of one of our subsidiaries from Zitouna Bank **(+ 6,4 million TND)** has largely contributed in improving the EBIT margin that has reached **7,2%** (Vs. **6%** in 2018)

- This being said, we estimate that the productivity and energy saving programs that we have already launched will help us sustain our operating performance over the coming years.

- The improvement of all performance indicators was the main reason of the net income **50,6%** increase.

- The net margin reached **4,4% (Vs. 3,6%** in 2018). This reflects an exceptional year for the Group in terms of profitability.

BALANCE SHEET

BALANCE SHEETS 2014-2019

Consolidated Balance Sheet - Délice Holding						
In KTND	2014	2015	2016	2017	2018	2019
Non Current Assets	**206 658**	**208 641**	**216 002**	**235 789**	**268 153**	**318 744**
Intangible Assets	641	1 035	1 460	1 402	835	498
Tangible Assets	186 094	185 658	195 476	216 696	257 734	307 149
Financial Assets	9 989	10 622	8 867	7 611	3 208	3 681
Other non Current Assets	2 598	2 367	1 673	2 324	1 558	2 102
Deferred tax Asset	7 336	8 959	8 526	7 756	4 818	5 314
Current Assets	**175 522**	**196 872**	**181 466**	**209 734**	**258 794**	**322 174**
Inventories	76 788	89 828	75 568	96 447	98 366	122 647
Accounts Receivables	17 289	18 887	16 911	17 137	29 253	26 726
Other Current Assets	45 959	43 770	48 101	44 785	61 948	99 881
Investment Securities	-	-	17 400	22 000	37 212	10 222
Cash & Cash equivalents	35 486	44 387	23 486	29 365	32 015	62 698
Total Assets	**382 180**	**405 513**	**397 468**	**445 523**	**526 947**	**640 918**
Equity and Non controlling Interests	**132 392**	**138 259**	**149 526**	**164 329**	**182 293**	**210 996**
Non Current Liabilities	**76 917**	**74 790**	**62 402**	**84 433**	**130 616**	**170 415**
Long term Debts	63 138	56 176	43 534	65 060	112 299	148 009
Provisions	12 924	16 364	16 907	16 733	17 025	19 918
Other Non Current Liabilities	-	361	-	-	-	-
Deferred tax Liabilities	855	1 889	1 961	2 640	1 292	2 488
Current Liabilities	**172 871**	**192 464**	**185 540**	**196 761**	**214 038**	**259 507**
Accounts Payables	90 612	73 383	90 773	98 779	105 514	112 273
Other Current Liabilities	26 367	41 664	40 401	43 719	43 061	43 251
Short Term borrowings	55 892	77 417	54 366	54 263	65 463	103 983
Total Liabilities	**249 788**	**267 254**	**247 942**	**281 194**	**344 654**	**429 922**
Liabilities and Shareholders equity	**382 180**	**405 513**	**397 468**	**445 523**	**526 947**	**640 918**

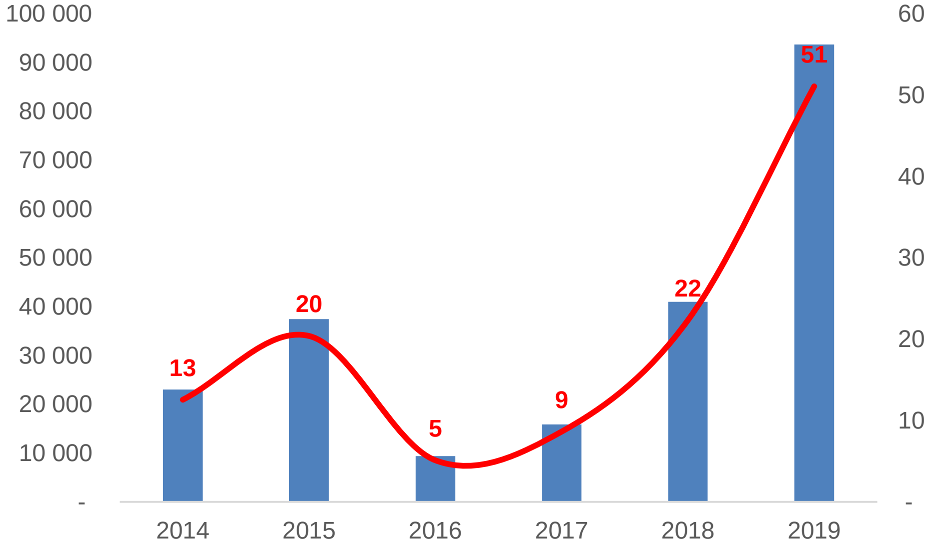
- In order to meet its strategic and long run goals, the Group had sustained its investment strategy.
- During **2019**, our consolidated capital expenditures amounted to **84,4 million TND** which is **19,6%** higher as compared to the amounts invested in 2018.
- **30,7%** of our consolidated capital spending in **2019** were allocated to the new mineral water unit in Sidi Bouzid.

- The capital expenditures have caused a hike of the Group’s Net Debt. As of **December 2019**, It amounted to **179,1 million TND** Vs. **108,5 million TND** in **2018**.
- The debt was contracted to fund the expansion and replacement investments we made within the different industrial premises.
- The cogeneration project is ongoing, and it will enables the group to make great savings in term of energy.

BALANCE SHEETS 2014-2019

Working Capital (WCR) (2014-2019)

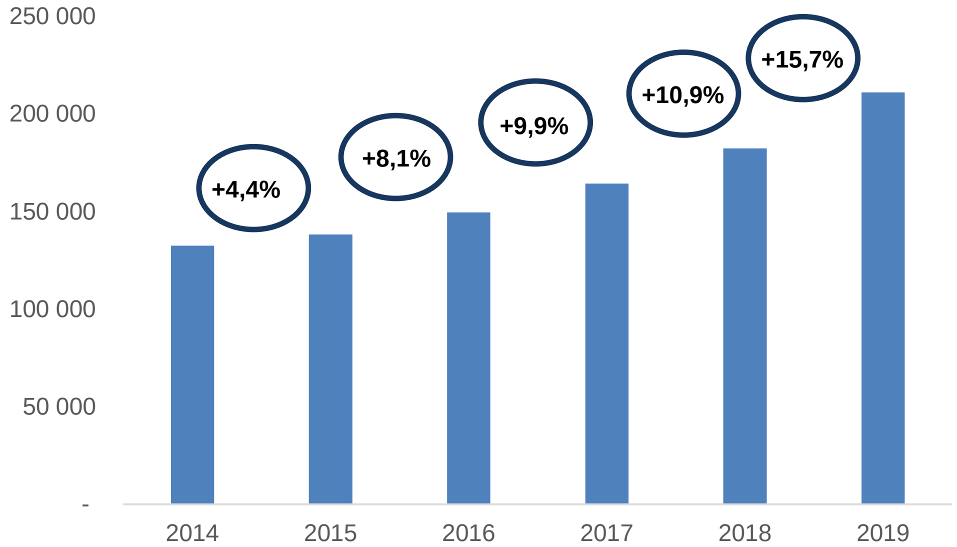
In KTND (Blue), In Days of Revenue (Red)



- The WCR rose quite substantially in 2019 to reach **93,7 million TND** (Vs. **41,0 million TND** in **2018**). It is the equivalent of **51 Days** of Revenues (Vs. **22 Days** in **2018**). This hike was caused by the increasing Inventories and Other Current Assets (**25%** and **61%** respectively).
- Assets increased by **21,6%** in **2019**, thus reflecting the investments made by the group since **2016**.
- The Equity of the group have continued its uptrend , consolidating the profits made by Delice Holding since **2014**. **(+15,7%** vs. 2018)

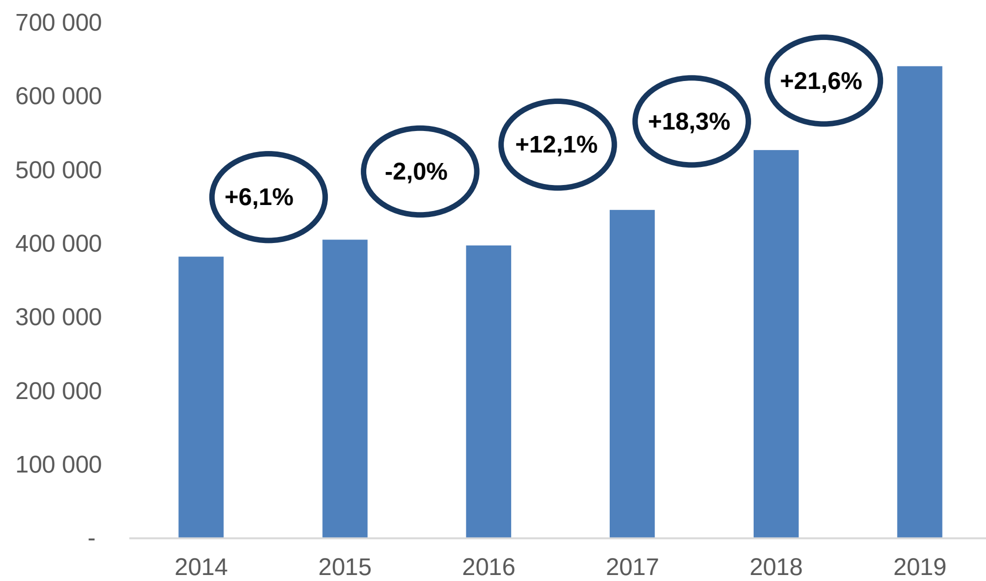
Total Equitiy (2014-2019)

In KTND



Total Assets (2014-2019)

In KTND




délice
HOLDING
COVID-19 & BUSINESS CONTINUITY

COVID-19 & BUSINESS CONTINUITY

Operating in the food industry, the Group continued to work during the confinement period. Aware of the effects of the pandemic on consumer behavior, but also on distribution and supply networks, the Group, for effective governance, set up, in early March 2020, a monitoring and emergency committee for crisis management.

The decisions made, have ensured normal production and met market needs. Telework, digitalization, infrastructure and strong involvement of staff, have helped to ensure the continuity of business. The risk management system which already exists in the group through the development of risk mapping, which can give effect to Business Continuity Plans, has made it possible to deal with COVID-19.

Here are the main measures taken to deal with this crisis:

- **Disruption in raw materials' supply:** The Group, and in order to minimize the risk associated with interruptions in supply chain, anticipated orders and built up strategic inventories. Local suppliers were preferred. With regard to the milk segment, the group provided the necessary assistance to the various partners, in this case the milk collection centers, by ensuring the cleanliness of work spaces and tools, by providing the necessary and sufficient equipment in terms of disinfection equipment, taking all preventive and effective measures dictated by health authorities. This assistance is also reinforced thanks to the partnership with the institution "Zitouna Tamkeen", in providing financial support to farmers during this difficult period.

- **Decrease in sales:** Operating in the food industry and mainly in basic necessities, sales remain at an acceptable level and a recovery is expected with the month of Ramadan and the start of the summer.

COVID-19 & BUSINESS CONTINUITY

- **Cash management :** In order to cope with any eventual financial fallout, in particular related to delays in cashing milk subsidy granted as a price supplement for the subsidized product, the committee studied the postponement of investments for the year. The projected cash flow, taking into account a possible deterioration in working capital, will make it possible to honor the Group's commitments to partners, in particular Banks.

- **Unavailability of staff**: The authorities have granted the Group the authorizations to allow production staff to be present on sites. This made it possible to maintain the usual level of production. The use of telework has been considered for other staff members.

Willing to act as a social responsible corporation, the Group contributed to the national effort to fight against the spread of the epidemic by providing aid to hospitals and donations to the national fund of Covid-19.

The General Management of the group confirms that the hypothesis of maintaining the continuity of operations is not at risk during the preparation and presentation of the financial statements of 2019.

THANK YOU

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