



Date: 14/05/2026

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التاريخ: 2026/05/14

مرجع رقم: MHC/Disclosure/2026/039

Attn. Bursa Kuwait Company

Kuwait

المحترمين

السادة / شركة بورصة الكويت

تحية طيبة وبعد ،،،

**Subject: Minutes of the Analyst / Investor Conference**  
**Call for the results of the interim financial statements for**  
**the period ended on 31/03/2026**

**الموضوع: محضر مؤتمر المحللين/المستثمرين لنتائج البيانات**  
**المالية المرحلية لشركة ميزان القابضة (ش.م.ك.ع) عن الفترة**  
**المنتهية في 31 مارس 2026**

Reference to the subject line, please note that Mezzan Holding Company KSCP had held the Analyst/ Investor Conference Call for the Results of the interim financial statements for the period ended on 31/03/2026 through a live webcast session on Tuesday, 12 May at 02:00 pm Kuwait local time via live webcast.

بالإشارة إلى الموضوع أعلاه : يرجى التكرم بالعلم أن شركة ميزان القابضة (ش.م.ك.ع) قد عقدت مؤتمر المحللين والمستثمرين لعرض ومناقشة البيانات المالية المرحلية لشركة ميزان القابضة (ش.م.ك.ع) عن الفترة المنتهية في 31 مارس 2026 عن طريق شبكة الانترنت (Live Webcast) يوم الثلاثاء الموافق 12 مايو 2026 في تمام الساعة 02:00 عصراً بتوقيت الكويت المحلي .

Attached hereto are the minutes of the Conference of the Investors earning call.

مرفق لكم نص محضر مؤتمر المحللين / المستثمرين .

Regards,

و تفضلوا بقبول فائق الاحترام ؛؛؛

Mezzan Holding Company KSCP

Walid Ali Khalil

Head of Legal & Compliance

شركة ميزان القابضة (ش.م.ك.ع)

وليد علي خليل

مدير الإدارة القانونية والمطابقة والإلتزام

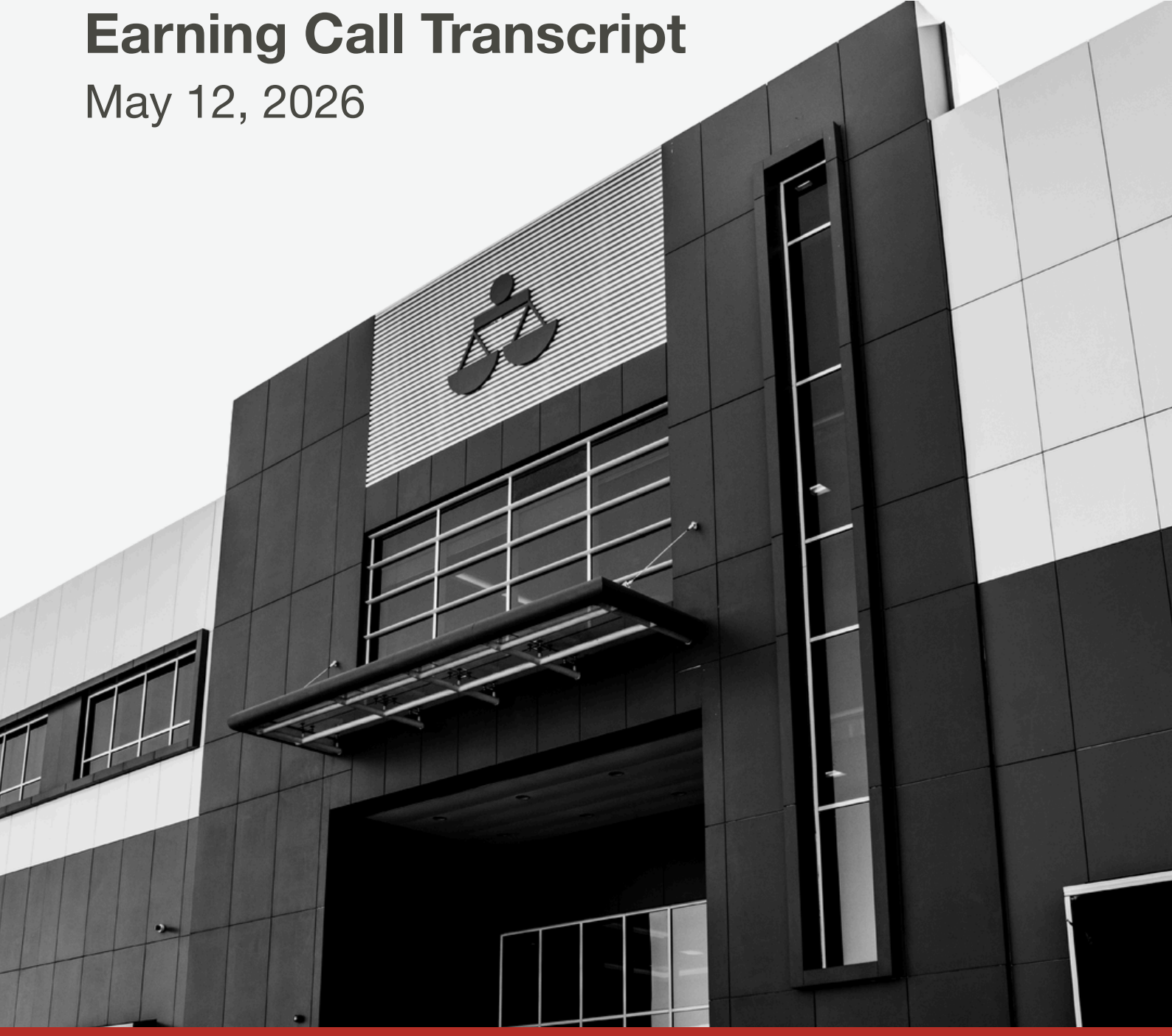
نسخة للسادة/ هيئة أسواق المال



شركة ميزان القابضة  
MEZZAN HOLDING CO.

# Mezzan Holding Q1 2026

**Earning Call Transcript**  
May 12, 2026



**Transcript of Earnings Call/Webcast for Q1 2026**  
Mezzan Holding Company KSCP.

**Date:** May 12, 2026

**Time:** 14.00 Kuwait Time

**Speakers from Mezzan Holding Co. Executive Management:**

Mr. Amr Farghal – Group Chief Executive Officer.

Mr. Omar Samoud – Group Chief Financial Officer.

**Moderator:**

Fawaz Alsirri – Bensirri Public Relations

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**Fawaz Alsirri:**

Good afternoon, ladies and gentlemen.

Welcome to Mezzan Holding's Q1 2026 earnings call. Today is Tuesday, 12 May 2026, and we are hosting this call live from Kuwait. A recording will be available on the same link within two hours.

My name is Fawaz Alsirri, and I will be moderating today's call. With us are:

- Mr. Amr Farghal, Group Chief Executive Officer.
- Mr. Omar Samoud, Group Chief Financial Officer.

Before handing over to the CEO, let me briefly outline the format of today's call.

The CEO will begin with prepared remarks, followed by the CFO, who will take you through the financial performance in further detail. After the prepared statements, we will open the floor for questions.

You may submit your questions at any time during the presentation by typing them into the Q&A box on your screen.

Please note that Mezzan Holding reports its financial results in Kuwaiti Dinars, and all figures mentioned during this call are stated in KWD unless otherwise specified. Certain statements made today may be forward-looking and are based on current expectations and assumptions. Actual results may differ materially in the future.

With that, Amr, the floor is yours.

**Amr Farghal:**

Good afternoon, ladies and gentlemen, and thank you for joining Mezzan Holding's Q1 2026 earnings call.

Q1 2026 was one of the most operationally demanding quarters we have navigated in recent years. Against that backdrop, I want to begin with what we achieved: revenue came in at KD 87.6 million, broadly flat year-on-year, declining just 0.5%. Within that, Saudi Arabia delivered standout growth of 33.8% year-on-year. A clear validation of the strategic repositioning we have been executing in that market. These outcomes were not accidental. They reflect the quality of our preparation and the discipline of our teams in real time.

We started the year with good momentum in January and February. Disruption emerged in March, driven by heightened regional tensions and freight dislocation that created pressure across logistics flows and supply routes. This was the dominant factor in the quarter's final outcome.

We entered the period in a position of preparedness. Our strategic stock-building ahead of Ramadan, completed in Q4 last year across essential items, core brands, and key commodities, provided a meaningful buffer during the most volatile weeks. That preparation proved its value.

Where routes were disrupted, we assessed and activated alternatives. Where supply was pressured, we moved quickly on sourcing options. Our teams shifted into a daily operational discipline across procurement, logistics, and commercial functions to keep the business moving. The result: shelves remained replenished across our core categories, and we avoided material disruption across our main SKUs. Maintaining that availability, particularly across food, consumer staples, water, and healthcare, is fundamental to what Mezzan stands for.

I should acknowledge that maintaining continuity came with additional cost. Freight rates increased sharply at certain points, and we incurred incremental logistics and supply chain expenses to protect our supply lines. We view these as the right trade-off: protecting customer service and brand trust is a long-term investment, not a short-term cost.

The disruption created a clear and observable shift in consumer behaviour during the most acute weeks of March. Demand rotated strongly toward essential and staple categories, bottled water, canned tuna, rice, and everyday necessities. This was positive for volumes in those segments, though it created a mix headwind, as demand softened in more discretionary and impulse-led categories, particularly salty snacks. Shopper occasions in those categories reduced noticeably during the period.

We also saw fewer corporate and event-driven occasions, which weighed on our Catering business. This was a direct function of the broader operating environment in March and the reduction in activity across those customer channels.

In Saudi Arabia, Q1 revenue growth of 33.8% year-on-year reflects the progress we have been making through stronger execution, improved commercial alignment, and a more focused market approach. KSA is an important and growing part of the Group's footprint, and the early evidence in Q1 reinforces our conviction in that market's trajectory.

In the UAE, we saw softness in the HORECA channel during the quarter, linked to the broader regional context and its effect on out-of-home activity. This impacted parts of our portfolio, including energy drinks. We expect channel activity to recover as operating conditions stabilize.

In Qatar, I am pleased to highlight continued progress on receivable recoveries. As many of you will recall, we recorded significant ECL provisions in 2022 related to customer receivables in Qatar. Our legal and in-country teams have been working persistently to recover those balances, and Q1 saw further meaningful progress. We will continue to update on this as collections advance.

The year-on-year movement in Healthcare during Q1 primarily reflects the timing of major Ministry of Health tenders, rather than any change in underlying demand. Based on current visibility, we expect this phasing effect to largely normalize through Q2 and Q3, with the pipeline broadly intact.

Our long-term healthcare manufacturing strategy continues to advance on schedule. The development of our new Al-Shifa pharmaceutical facility, the advanced manufacturing arm of KSP — remains on track for production to commence in 2027. This is one of the Group's most strategically significant projects and a foundational part of our long-term healthcare platform.

Our objective for 2026 is clear: to deliver full-year revenue ahead of 2025, with discipline across costs, working capital, and margins.

We have three specific sources of confidence in that target. First, the KSA trajectory in Q1 gives us real momentum in our most important growth market. Second, the Healthcare tender pipeline, while phased, is largely intact and we expect normalization over the coming two quarters. Third, our supply chain posture, built on proactive stock management and alternative

sourcing routes developed during Q1, is more resilient entering the rest of the year than it was entering Q1.

We are realistic about the operating environment. Visibility remains limited and the regional context continues to evolve. Our approach is therefore focused on what we can control: operational discipline, proactive risk management, and protecting the quality of our earnings while continuing to serve our customers with the reliability they expect from Mezzan.

Before I hand over to Omar, I want to acknowledge our teams across the Group. The agility and professionalism they demonstrated through a genuinely difficult period was exceptional, and it is the reason we were able to protect availability, maintain customer service, and keep the business stable. Their execution in Q1 gives us confidence as we move through the remainder of 2026.

I will now hand over to our CFO, Omar Samoud, who will take you through the financials in detail. Omar, over to you.

**Omar Samoud:**

Thank you, Amr, and good afternoon, everyone.

Let me walk you through Mezzan Holding's financial performance for the first quarter ended 31 March 2026.

Revenue by Business Line:

In light with what Amr earlier mentioned, we reported group revenue for the quarter of 87.6 million, broadly in line with the same period last year, witnessing a soft drop by 0.5%.

The Food segment contributed 63% of total Group revenue and grew 2.5% year on year.

Within Food, our Manufacturing and Distribution business grew 2.7%, contributing 57.9% of total Group revenue. Performance was supported by stronger volumes in our staple and core commodity categories, offsetting the demand softness in impulse categories.

Food Catering, a segment which was adversely impacted by the geopolitical situation, declined 1.9%, contributing 4.2% of Group revenue, reflecting lower event-driven activity during the quarter.

Similarly, Food Services witnessed an increase of 10.5%, represented only 0.9% of Group revenue, reflecting stronger demand across certain venture operations.

The Non-Food segment accounted for 37% of total revenue, declining 5.1% year on year.

Within Non-Food, the FMCG and Healthcare division contributed 35.6% of total revenue, declining 4.2%. The decline primarily reflects the delay of Ministry of Health tenders within healthcare, still expected to be realized over the remainder of the year, with no anticipated impact on full-year performance. Pharmaceutical distribution continued to perform in line with expectations.

The Industrial division contributed 1.4% of revenue, declining 25%, reflecting weaker demand in oil refinery and plastics-related products and export restrictions during the crisis.

Turning to revenue by geography:

Kuwait remained the Group's largest market, contributing 76.4% of total revenue. Revenue in Kuwait declined 2.5% year on year, reflecting the impact of the regional situation in March across selected categories.

The United Arab Emirates accounted for 11.4% of revenue, growing 4%. Within UAE, our HORECA channel was impacted by the broader regional context during the quarter, which weighed on our energy drinks portfolio in particular. Performance across our other categories in the market remained healthy.

Jordan (including Iraq, served via our Jordan-based entities): Revenue declined by 4.2%, reflecting the softened demand on our venture business, impacted by the supply disruption mentioned earlier. Meanwhile, our retail business still enjoys good growth momentum despite the regional challenges. Jordan contributed 5.1% of Group revenue

Qatar contributed 4.1% of total revenue and delivered 16.4% growth. Mainly driven by our water bottling segment.

Saudi Arabia contributed 2.9% of revenue and grew 33.8% year on year. This represents strong evidence of the success of our turnaround initiatives and supports our growth ambition in the Kingdom.

Turning to profitability:

Gross profit for the quarter reached 20.9 million, compared with 21.7 million in the same period last year. Gross margin stood at 23.85%, compared with 24.7% in Q1 2025, a compression of approximately 84 basis points. This reflects the change in mix resulting from the change of consumer shopping behaviour during the crisis, with higher demand on staple categories, in addition to the time shift that occurred in capturing the healthcare tender opportunities that was explained earlier.

SG&A and other expenses totalled 10.6 million, compared with 12.6 million in Q1 2025, supported by the reversal of ECL but also fostered by disciplined cost management.

Operating profit reached 10.3 million, an increase of 12.6% year on year, with operating margin expanding by approximately 136 basis points to 11.7%.

EBITDA reached 12.5 million, growing 10% year on year, with EBITDA margin improving to 14.2%, compared with 12.9% in Q1 2025.

Finance costs totalled 1.4 million, compared with 1.5 million in the prior year, reflecting active management of the Group's funding profile.

Net profit before tax reached 8.9 million, an increase of 17% year on year.

After accounting for the Domestic Minimum Top-Up Tax, KFAS, and Board remuneration, net profit reached 8.2 million, up 14.6%. Net profit attributable to shareholders of the parent company reached 8 million, an increase of 15.7%, equivalent to earnings per share of 25.6 fils, compared with 22.2 fils in the same period last year.

Turning to cash generation:

Operating cash flow before working capital changes reached 10.7 million in the quarter, compared with 12.1 million in Q1 2025, with the year-on-year movement reflecting variation in non-cash items.

Working capital dynamics were a notable positive during the quarter. The net working capital outflow was 2 million, compared with 6.9 million in Q1 2025, an improvement of 4.6 million. This translates our continuous focus on effective working capital management, especially in the ongoing volatile business environment with the focus on recovering aged account receivables balances.

As a result, net cash flow from operating activities reached 8.4 million, an increase of approximately 62% compared with 5.2 million in the same period last year.

Net cash used in investing activities totalled 4.1 million, compared with 3.5 million in Q1 2025. This was driven primarily by capital expenditure of 4.3 million, representing approximately 4.9% of revenue, fuelling our strategic investment in building long term infrastructure among which, Al-Shifa project.

This translates into free cash flow of 4.3 million for the quarter, compared with 1.7 million in Q1 2025, an increase of approximately 2.6 million, more than doubling year on year.

Net cash used in financing activities was 3.9 million, reflecting active management of the Group's debt profile.

As a result, the Group ended the quarter with cash and cash equivalents of 18.9 million, compared with 18.6 million a year earlier.

Turning briefly to the balance sheet:

Total equity reached 146.4 million, compared with 136.3 million a year earlier, an increase of 7.4%.

Net debt stood at 72.2 million, compared with 65.1 million a year earlier, primarily reflecting our continued investment in strategic growth projects.

Net Debt to EBITDA remained stable at 2.0x, despite an increase in net debt of KD 7.1 million compared to FY2025, reflecting continued investment in capital expenditure during the period.

Despite these investments, the Group's balance sheet remains in a healthy position, providing the financial flexibility needed to support our ongoing growth initiatives and future opportunities.

That concludes my review of the financial results for the quarter. I will now hand the call back to Amr to share our outlook for the remainder of the year. Over to you, Amr.

**Amr Farghal:**

Thank you, Omar.

Before we move to Q&A, let me share how we are looking at the remainder of 2026. These comments should be understood as forward-looking statements based on our current visibility and operating assumptions, not as guaranteed outcomes.

Based on that visibility, we expect high single-digit to low double-digit revenue growth for FY2026, alongside high single-digit to low double-digit growth in net profit. We expect CAPEX to remain within approximately 6% to 7% of revenue, and we will maintain a disciplined and sustainable approach to shareholder distributions.

Two strategic priorities will define the second half of the year. First, continuing to build on the KSA momentum demonstrated in Q1, that market is growing as a share of Group revenue, and we intend to accelerate that trajectory. Second, advancing the Al-Shifa pharmaceutical facility toward its 2027 production start. That project is the cornerstone of our long-term healthcare platform, and it remains on schedule.

Across the Group, our focus is consistent: protect supply continuity, maintain margin discipline, and deliver earnings quality, not just revenue growth.

Thank you again for joining us today. I will now hand the call back to Fawaz to begin the Q&A session.

**- Q&A-**

**Fawaz Alsirri:**

Thank you gentlemen for walking us through the quarter, and for sharing the outlook for the rest of the year. We will now be taking our audiences questions. So, if you are thinking of asking a question, please go ahead and send it now. We will be on standby, waiting to receive your questions.

We have just received the first question of the day, the question is from Ahmad Youssef, he is asking: How comfortable is Mezzan Holding with their outlook for Saudi Arabia. This question will be answered by the CEO.

**Amr Farghal:**

Thank you for the question, and thank you, Fawaz.

We have been working hard in Saudi Arabia over the last two years. A lot of discipline has been brought into our day-to-day operations, supported by new management on the ground and a reset of our commercial agenda.

This includes detailed work across areas such as our approach to trade, route-to-market discipline, and the way we execute commercially in the market. There is a lot of work taking place in Saudi Arabia, and it is slowly paying dividends.

We saw some of that progress reflected in Q1, and with the plan now in place, together with the commitment shown by the management team, we are confident that Saudi Arabia will become a much more strategic market for us over time.

I do not want to disclose too much at this stage regarding our investment plans, but there are several exciting initiatives ahead for Saudi Arabia. Please stay tuned, and we will continue to share updates when we are in a position to do so.

**Fawaz Alsirri:**

Thank you very much, with that, we have answered all the questions we have received so far. And I think we will also be concluding the call for the day. Thank you Amr and thank you Omar for the insights and outlooks. We look forward to speaking with you again during our next earnings call, which will cover Q2 and the first half of 2026.

Thank you and have a good day.

**- Ends -**