ميـزان القـابضـة ش.م.ك.ع
MEZZAN HOLDING K.S.C.P.

Date: 24/03/2026

Ref.: MHC/Disclosure/2026/024

التاريخ: 2026/03/24

مرجع رقم : MHC/Disclosure/2026/024

**Attn. Boursa Kuwait Company**

Kuwait

السادة / شركة بورصة الكويت المحترمين

تحية طيبة وبعد ،،،

**Subject: Minutes of the Analyst / Investor Conference Call for the results of the annual consolidated financial statements for the period ended on 31/12/2025**

**الموضوع: محضر مؤتمر المحللين/المستثمرين لنتائج البيانات المالية السنوية المجمعة للشركة عن الفترة المنتهية في 2025/12/31**

Reference to the subject line and in compliance with "Continued Obligation of the Premier Market Companies" as per Resolution No. (1) for the year 2018, Article (8-4-2) .

بالإشارة إلى الموضوع أعلاه ؛ و تطبيقا لمتطلبات المادة (8-4-2) من القرار رقم 1 لسنة 2018 الصادر عن بورصة الكويت بشأن الإلتزامات المستمرة للشركات المدرجة في السوق الأول .

Mezzan Holding Company KSCP is pleased to announce that it held the Analyst / Investor Conference Call for the Results of the results of the annual consolidated financial statements for the period ended on 31/12/2025 through a live webcast session on Wednesday, 18/03/2026 at 02:00 pm local Kuwait time via live webcast. Attached hereto are the minutes of the Conference of the Investors earning call.

يرجى التكرم بالعلم أن شركة ميزان القابضة (ش.م.ك.ع) قد عقدت مؤتمر المحللين والمستثمرين لعرض و مناقشة البيانات المالية السنوية المجمعة للشركة عن الفترة المنتهية في 2025/12/31 عن طريق شبكة الانترنت (Live Webcast) يوم الأربعاء الموافق 2026/03/18 في تمام الساعة 02:00 عصراً بتوقيت دولة الكويت . مرفق لكم نص محضر مؤتمر المحللين / المستثمرين .

Regards,

و تفضلوا بقبول فائق الاحترام ؛؛؛

**Mezzan Holding Company KSCP**

**Muntaser AlWazzan**

**Chairman**

**شركة ميزان القابضة (ش.م.ك.ع)**

**منتصر جاسم الوزان**

**رئيس مجلس الإدارة**

**نسخة للسادة/ هيئة أسواق المال**

# Transcript of Mezzan Holding Earnings Call

**For FY 2025**

**Date Held**

**18 March 2026**

**Transcript of Earnings Call/Webcast for FY 2025**
Mezzan Holding Company KSCP.

**Date:** March 18, 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 FY 2025 earnings call. Today is Wednesday, 18 March 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 FY 2025 earnings call.

Before we begin, and as we approach the end of Ramadan, I would like to extend my warmest wishes to everyone on the call. On behalf of all of us at Mezzan Holding, I wish you and your families a blessed Eid in advance. May it bring you and your loved ones peace, good health, and prosperity.

Now let me turn to our performance for the year.

I am pleased to report that 2025 was another year of solid progress for Mezzan. The results we are sharing today reflect the strength of our brand portfolio, the resilience of our operating platform, and the disciplined execution of our teams across the Group.

In an operating environment that continues to evolve and requires swift adaptability, Mezzan delivered steady growth while improving margins, enhancing profitability and strengthening the quality of earnings across the business. What is particularly encouraging for us is that profitability continued to grow faster than revenue, reflecting the structural improvements we have been implementing across the group.

2025 revenue increased by 3.8% year on year to reach 297.1 million, supported by stronger volumes and an improved portfolio mix. At the same time, our focus on operational discipline and cost management translated into meaningful margin improvement. Gross profit increased by 10% to 75 million, representing 25.2% of total revenue and reflecting the benefits of organic growth alongside continued efficiency initiatives across our manufacturing and distribution operations.

At the bottom line, net profit before tax reached 20.5 million, representing an increase of 25% compared to the previous year. Net profit after tax reached 18.6 million, up 20% year on year and representing 6.2% of total net revenue.

The results for the year reflect the introduction of the new Domestic Minimum Top-Up Tax regime, which added approximately KD 1.1 million in tax expense. This impact was effectively absorbed, with the Group continuing to deliver strong profit growth through disciplined execution and efficiency improvements.

In line with our strong performance, the Board of Directors has recommended a cash dividend of 45 fils per share, representing a payout ratio of approximately 81%. This reflects both the strength of our earnings this year and our continued commitment to delivering consistent and progressive returns to our shareholders and is subject to shareholder approval at the upcoming Annual General Meeting.

Alongside improved profitability, we continued to invest in strengthening the long-term foundations of the business. During the year, the Group deployed approximately 18.6 million in capital expenditures, representing about 6.2% of total net revenue. A significant portion of this investment was directed toward the development of Al-Shifa pharmaceutical manufacturing facility, which remains a key strategic project for the Group.

Importantly, we continued to fund these investments while maintaining strong financial discipline, with a healthy net debt to EBITDA position, which Omar Samoud will walk you through in more detail shortly.

From an operational perspective, we also continued to advance a number of initiatives aimed at improving efficiency and strengthening the Group's operating model. This included completing the transfer of Khazan's frozen food activities from Sharjah to Kuwait, which is expected to generate annual cost efficiencies going forward.

At the same time, our SAP S/4HANA transformation program continues to progress according to plan. The Al-Shifa implementation successfully went live in December 2025, and preparations are underway for the broader rollout across our FMCG and Non-Food businesses during 2026.

Regionally, we are also encouraged by the improving trajectory of our operations in KSA. Performance in the Kingdom has shown noticeable improvement during the year, reflecting the operational steps we have taken to strengthen the business. While there is still work to be done ahead of us, we remain optimistic about the direction of the market and our ability to continue building momentum there.

Before I conclude and hand over to Omar Samoud, I would like to take a moment to thank our employees across the Group for their dedication and hard work, especially during what continues to be a challenging period for our region. The sectors we operate in are essential to daily life, and our teams play an important role in ensuring the continuous supply of food, water, and medicines to communities across Kuwait and the wider region. During times like these, that responsibility becomes even more meaningful, and I am proud of the professionalism and resilience our people demonstrate every day.

Finally, to everyone joining us on the call today, I hope you and your families remain safe and well. Kuwait and the wider GCC have faced challenges before and have always come through them with resilience and determination. I remain confident that our region will once again emerge even stronger.

That concludes my remarks.

I will now hand the call over to our CFO, Omar Samoud, who will walk you through the financial results in more detail.

Omar, to you.

**Omar Samoud:**

Thank you, Amr, and good afternoon, everyone.

Let me walk you through Mezzan Holding's financial performance for the year ended 31 December 2025.

**Revenue by Business Line:**

Starting with revenue by business line, the Food segment continues to represent the backbone of our Group's portfolio. Food contributed 64.4% of total Group revenue, growing 2.2% year on year.

The Non-Food segment accounted for the remaining 35.6% of revenue, growing 7% year on year, reflecting continued strength in pharmaceuticals, medical devices, and selected FMCG categories. Overall, the balanced contribution of these two segments continues to support the Group's diversified growth profile.

Breaking this down further across divisions:

Food Manufacturing and Distribution grew 4.8%, representing 54.4% of total Group revenue.

Growth was mainly fuelled by stronger volumes, enhanced trade execution and, portfolio premiumization across our core brands, thus, reflecting sustained focus on brand building and strengthening market presence and leadership.

For example, our salty snacks range underwent, brand restaging, recipe enhancements and portfolio premiumization, that is enabling incremental growth and fosters our brand equity.

Enhanced Route-to-Market across geographies, is also enabling us to increase trade coverage and widening distribution network.

Food Catering declined 18.5%, contributing 4.6% of Group revenue. As mentioned previously, this reflects our deliberate strategy to streamline the Catering portfolio and focus on contracts that deliver stronger margins and operational efficiency.

Food Services declined 1.3%, representing 5.3% of Group revenue, reflecting softer demand across certain venture operations in Jordan.

On the Non-Food side, the FMCG and Healthcare division grew 7.7%, contributing 33.7% of total revenue. Growth was primarily driven by continued strength in pharmaceutical distribution, medical devices products, alongside sustained performance across home and personal care categories.

The Industrial division declined 4%, contributing 1.9% of revenue, mainly due to softer demand in oil refinery and plastics related products during the year.

**Turning to revenue by geography:**

Kuwait remained the Group's largest market, contributing 73.4% of total revenue, with growth of 4.9% year on year. This was primarily driven by solid performance in Food Manufacturing and Distribution, supported by continued growth in Healthcare and FMCG.

The United Arab Emirates accounted for 13.4% of revenue, growing 3.9%, supported by strong distribution performance in energy drinks and premium bottled water. During the year we continued strengthening our route-to-market capabilities and expanding the presence of our own brands within this market.

Jordan delivered 5.7% growth, contributing 6.4% of Group revenue, supported by expansion in KITCO salty snacks as well as growth in our premium fresh food and vegetable offerings under Al Bustan brand. The recent launch of Al Bustan Dark Store is unlocking growth opportunities in the B2C channel and expanding our portfolio offering. It is worth mentioning that Mezzan operations in Jordan has so far been acting as incubator to part of our innovation initiatives.

The market also benefited from activity within the Food Services segment through ventures serving UN-affiliated organizations.

Qatar declined 16.9%, contributing 4.3% of total revenue, reflecting the ongoing recalibration of the Catering portfolio, with a continued focus on contract quality and profitability.

Saudi Arabia grew 12.5%, contributing 2.5% of revenue, reflecting the operational restructuring initiatives implemented to strengthen the Group's platform in the Kingdom.

**Turning to profitability:**

Gross profit increased to 75 million, compared to 68.1 million in the previous year. Gross margin improved by 142 basis points to 25.2%, reflecting stronger portfolio mix, operational efficiencies, mainly driven by an optimized supply footprint, and a disciplined cost management across the Group.

SG&A expenses, including other expenses, totalled 48.4 million, representing an increase of 6.1% year on year, largely reflecting targeted investments in distribution expansion, and brand building activities. Combined with, additional spend supporting building organizational capabilities, and digital transformation as earlier mentioned by Amr.

Net profit before tax reached 20.6 million, compared with 16.4 million in the previous year.

After accounting for the newly introduced Domestic Minimum Top-Up Tax, net profit after tax stood at 18.6 million, compared to 15.5 million in 2024.

Net profit attributable to shareholders reached 17.3 million, representing. 19% increase year on year.

**Turning to cash generation:**

Operating cash flow before working capital changes reached 35.7 million, compared with 33.8 million in the previous year. During the period, the Group also recorded a 2.3 million reversal of ECL, reflecting successful recovery efforts on previously impaired receivables, and risk mitigation.

Working capital outflow totalled 11.2 million, compared with 14.9 million in the prior year, reflecting improved working capital management across inventories and receivables.

As a result, net cash flow from operating activities reached 24.4 million, compared with 18.9 million in the previous year.

Investing activities consumed 18 million, compared with 10.7 million a year earlier. This increase was primarily driven by capital expenditure related to the Al-Shifa pharmaceutical manufacturing project, capacity expansions within the food segment, and ongoing infrastructure and systems investments across the Group.

Consequently, cash flow before financing activities amounted to 6.5 million, compared with 8.2 million in 2024.

**Turning briefly to the balance sheet**:

Total assets stood at 312.5 million, while total equity reached 138.4 million.

Net debt stood at 74.3 million, representing an increase of 9.1 million year on year, primarily reflecting the Group's continued investment in strategic growth initiatives.

Despite these investments, the Group maintained a healthy net debt to EBITDA ratio of 2.1 times, providing sufficient financial flexibility to support ongoing investments and future growth opportunities.

That concludes my review of the financial results.

With that, we will now open the floor for questions.

**- Q&A-**

**Fawaz Alsirri:**

We have received a question from Mohamad Al-Sakhal and the question is: Given the current geopolitical situation and the closure of the Strait of Hormuz, how does this affect Mezzan's operations and what is the expected cost impact from higher freight rates?

**Amr Farghal:**

As far as we are concerned, obviously timing has played in our favour, as we had built up inventory over a longer period. So far, we have been navigating the situation relatively well. We are managing this carefully, considering inventory levels, shelf life, and the volatility we are seeing. On the cost side, which I know is on everyone's mind, I don't think anyone can fully quantify the impact at this stage. What I can say is that we are running extensive sensitivity analysis. We are monitoring things on a daily basis, including inventory levels, oil prices, freight dynamics, and overall trade flows.

We are also dealing with a number of operational variables. For example, shipment routes and landing ports are changing, with some cargo being diverted between different ports depending on the situation. So, there are still a lot of moving parts that we are managing on a day-to-day basis.

We are also evaluating different logistics options, including air versus sea freight, especially given where interest rates and freight costs currently stand. There is a high degree of variability, and we are running multiple scenarios internally.

That said, we remain confident. While we continue to serve our communities and act responsibly, we are also focused on running the business efficiently. It is about finding the right balance between maintaining a cost-efficient operation and ensuring there is zero compromise on our ability to serve.

I may not have fully addressed every part of your question, but I hope this gives you a clear picture. This is not a free fall situation. We are in control, and we intend to remain in control. We will continue to navigate this, and hopefully sooner rather than later, this will be behind us, and we can return to business as usual.

**Fawaz Alsirri:**

Thank you, Amr.

We do not have anymore questions. We would like to wish you a happy Eid and thank you.

**- Ends -**