
MUTANDIS CAPITAL MARKETS DAY

STRATEGY & AMBITION

MAY 22, 2024

Aïnlfrane



Message de bienvenue



CEO Mutandis Group

"GROWTH IS A STATE OF
MIND"

Sommaire



Values of success

*Adil Douiri ,
CEO*



Innovate for margins

*Zakaria Mediouni,
Seafood*



Experimental science

*Salim Chouddart,
Route to Market*



How to choose?

*Omar Rharbaoui,
Strategy*



The Gold Rush?

*Mohamed Lahlou &
Meriem Wadghiri,
Season USA*



Figures, figures

*Fatima-Zahra Mediouni,
DG fonctions support*



Innovate for growth

*Nabil Boutaleb,
Home & Personal Care*



Ride the growth

*Nabil Boutaleb,
Drinks*



To 2028 (ica)

*Adil Douiri ,
CEO*

VALUES OF SUCCESS

ADIL DOUIRI, CEO



Mutandis culture



MUTANDIS is men and women first

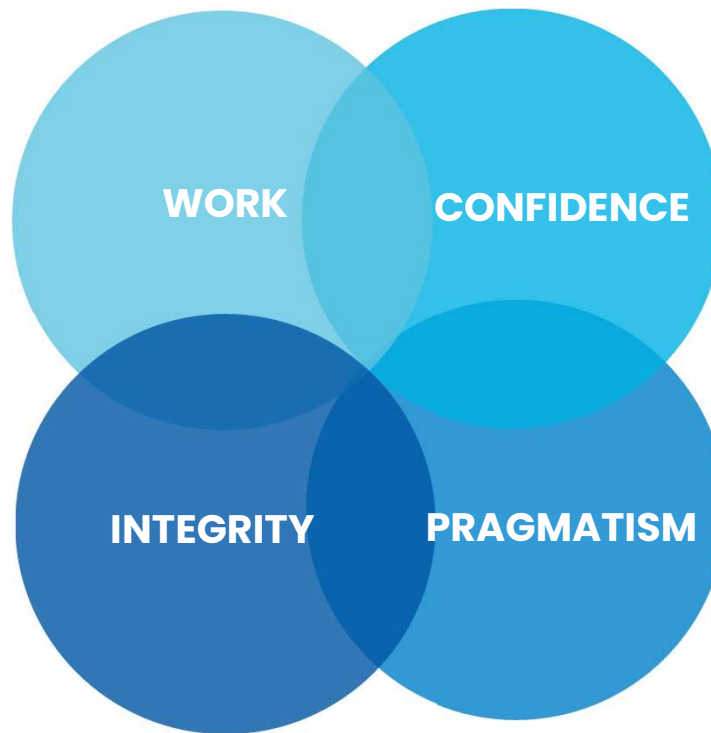


A company's culture builds either success or failure



MUTANDIS has strong, clear and shared values

Mutandis Culture



PERSISTENCY
RESILIENCE
IN DEPTH ANALYSIS



HUMILITY
KINDNESS
ACCESSIBILITY



CANDOR
TRANSPARENCY



SIMPLICITY
DOWN TO EARTH
RESULT ORIENTED



A BUSINESS MODEL FOCUSED ON CHANNELS



Morocco

Small groceries, wholesalers/semi-wholesalers, rural « souks », modern trade

+



Export

Third party distributors and modern trade



Categories

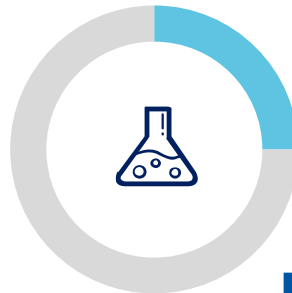
Our distribution channels dictate our categories choices

A BUSINESS MODEL FOCUSED ON CHANNELS



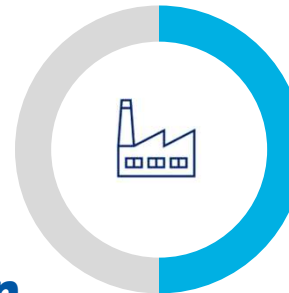
1. R&D

We design and develop (R&D), then manufacture our products



2. MANUFACTURING

We manufacture our own brands



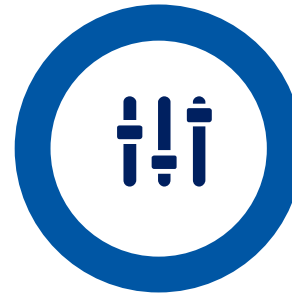
3. Route to Market

Route to Market must be shared as much as possible



4. Pricing

Costs and selling prices must be low to expand categories

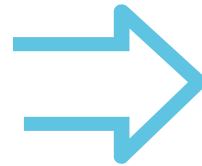


Distribution channels

THE COMPETITIVE ADVANTAGES OF MUTANDIS

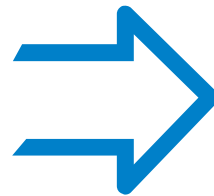


- ✓ Rapid and efficient governance
- ✓ Absence of hierarchical layers
- ✓ Teams quality



- ✓ Agile and nimble
- ✓ Reduced time To Market

- ✓ Cultural proximity to consumers
- ✓ Disciplined approach
- ✓ End-to-end integration
- ✓ Low cost culture



- ✓ The right product at the right price

THAT ENABLED



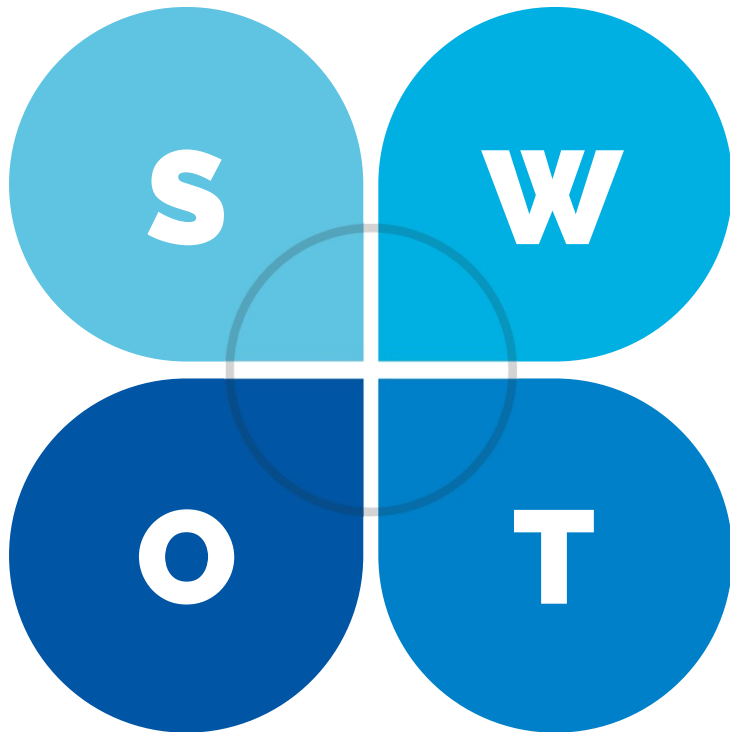
Ainfrane



OMAR RHARBAOUI, STRATEGY



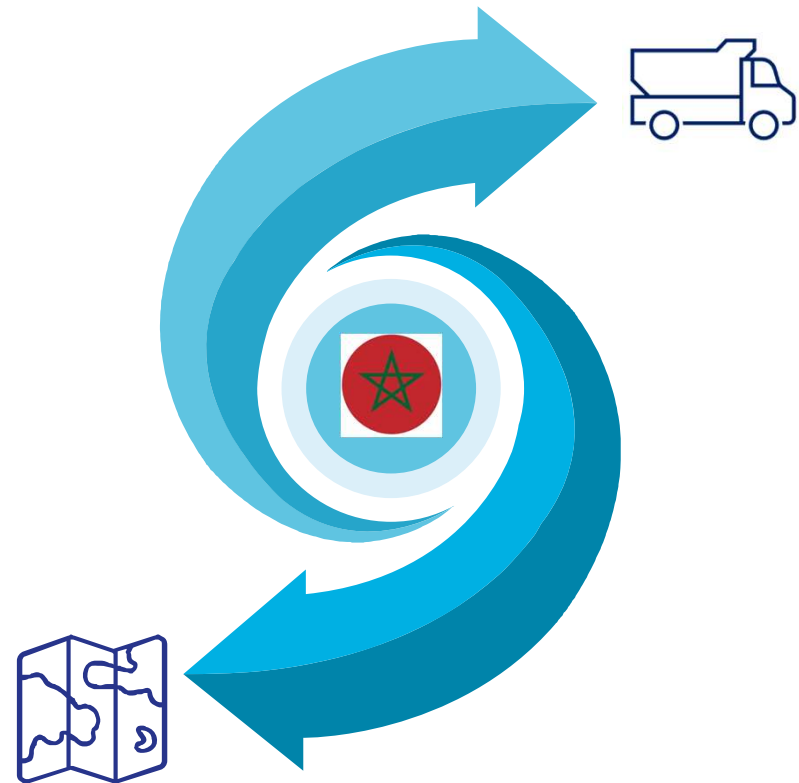
HOW TO CHOOSE?



CHANNELS DICTATE CHOICES



- ✓ Sharing as much as possible our Route to Market in Morocco and abroad ;
- ✓ Morocco drives the selection of future products ;
- ✓ Export comes after
- ✓ USA has the same approach as Morocco (acceptance by the channel, compatibility of a product with the brand attributes), but without manufacturing



APPROACH IN MOROCCO

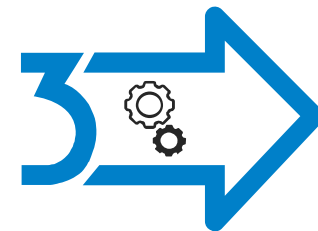
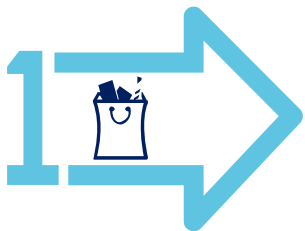


- Hygiene,
- food,
- drinks

→ Are the macro-categories of FMCGs

Identify categories at the grocer

Prioritize compatibility with our existing brands (proximity to existing categories)

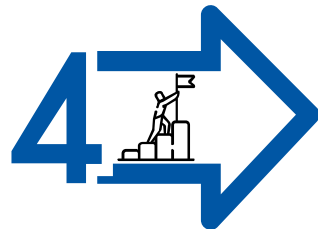


APPROACH IN MOROCCO



Select the largest categories ;

But also identify emerging categories (small but strong growth)



APPROACH IN MOROCCO



Assessment of competition intensity ;






Competitors typology (multinationals, transparent Moroccans, non-transparent Moroccans) ;



Estimating current margin levels

APPROACH IN MOROCCO



-  Ability to manufacture simply and easily ;
-  Ability to obtain a competitive selling price ;
-  Ability to democratize and expand emerging/premium categories



APPROACH IN THE USA



Season is 100 years old, has brand attributes recognized by the consumer, also related to the product itself (single-product brand) ;



Presence in the most important supermarket chains ;



Trying to stretch the brand into well accepted categories (by the consumer) ;



Assessing categories in terms of size and competition intensity



Need to convince the retailers to experiment with us



NABIL BOUTALEB, HOME & PERSONAL CARE



INNOVATE FOR GROWTH



HOME CARE CHALLENGES



MATURE CATEGORIES



Our market shares range from 10% to 30% in mature categories ;



The challenge is to reach and stabilize a « natural » market share ;



In each category, we aim to play in all price levels to stick to the consumer ;



Example : hand washing powder

HOME CARE CHALLENGES



EMERGING CATEGORIES



Identify emerging categories early enough ;



Quickly develop a quality product, applauded by the consumer ;



Position our products at a lower price to democratize and significantly expand the category ;






Example : machine washing liquid



PERSONAL CARE : A NEW WORLD



-  A MAD 5 billion category (retail price) = MAD 125/ inhabitant : a significant medium and long-term growth potential ;
-  Demography, urbanization, new households, higher incomes : are the growth drivers ;
-  A natural extension of the home care category

PERSONAL CARE : A NEW WORLD



1. Difference with home care :
higher barrier to entry, more
intensive marketing, higher
margins ;

2. Shampoo, body soap,
shower gel, moisturizer,
toothpaste, liquid soap....



3. A thoroughly tested and
developed product, aggressive
pricing, intensive marketing
and ... persistency !

4. VITAÏA is born in December
2023. It will gradually offer a
complete range in this
category

INNOVATE FOR GROWTH



We are constantly creating new products, new recipes, new fragrances, new formats and packagings ;



We are entering new categories and trying to be disruptive ;



Innovation protects from margin erosion ;



Innovation also adds chunks of revenues.



ZAKARIA MADIOUNI, SEAFOOD



INNOVATE FOR MARGINS



A SUPER FOOD BUT A LIMITED RESOURCE



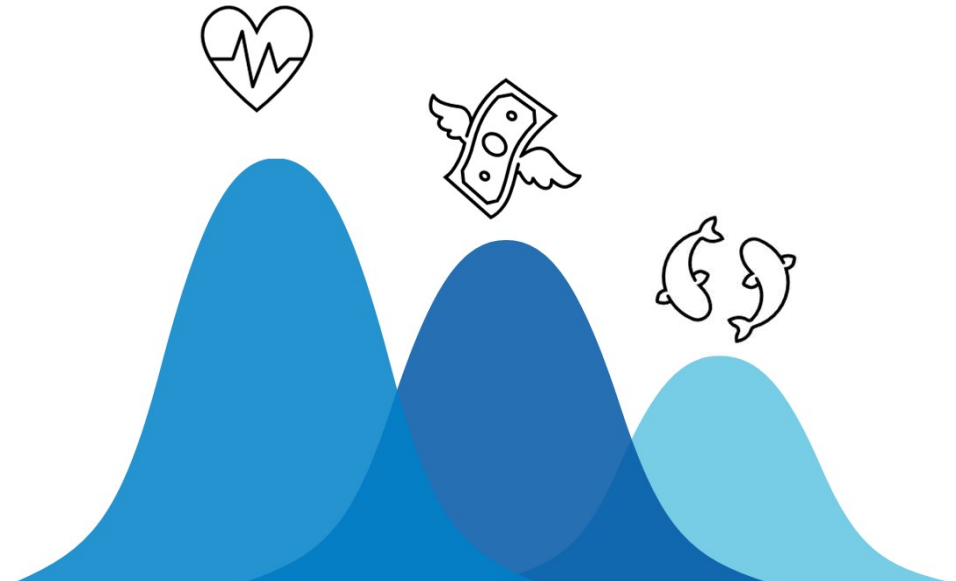
Pelagic fish (Morocco : sardines, mackerel) is increasingly recommended and requested worldwide. It is a popular trend in developed countries ;



From food for poor (Africa) to food for young and sophisticated consumers (USA) : Omega 3, protein, long shelflife, easy to snack ;



Resource is limited (1 million tonnes/year) : strategy must target margins first, more than volumes growth.



A SHIFT TOWARDS RICH CONSUMERS



Season acquisition in the US in 2021 : A tremendous channel to sell high-end products ;



Specialization of one of our 4 cans factories in skinless and boneless sardines, for America ;



Already more than MAD 100 million per annum exported to the US ;



One missing piece: a Mutandis brand in mainstream channels in Europe



MOROCCO: AN EVIDENCE



Historical absence of Mutandis in Moroccan fish cans market, despite a significant expertise in FMCGs in Morocco (distribution, marketing, ...);



Launch of Marine, starting with high-end sardine (skinless boneless), less expensive than tuna: promotional launch price MAD 7 (incl. tax) !



Marine range will be gradually expanded



MAXIMISE THE « GUANO » VALUE



- ✓ Half of the fish is useless for canning : sold to flour producers until 2024 ;
- ✓ Flour is the lowest added value product : Mutandis innovates with the 1st sardines hydrolysates factory in Morocco (and in Africa) ;
- ✓ About 80g of proteins/100g, 100% export, sold to petfood producers/ or for aquaculture



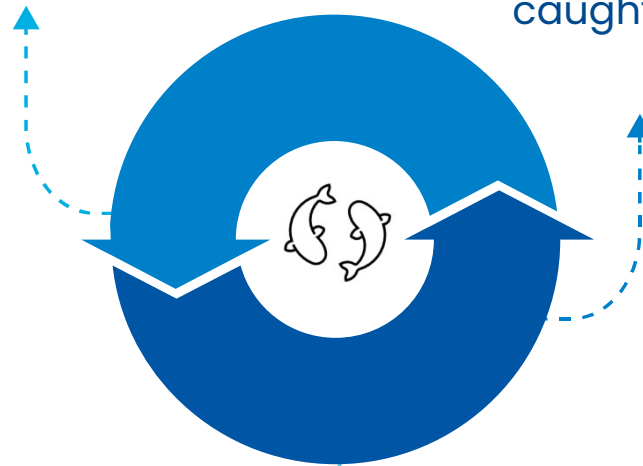
MAXIMISE THE « GUANO » VALUE



1. Hydrolysates could be upgraded to human food supplements and collagen production ;



3. A significant layer of EBITDA for Mutandis as it involves half of the caught fish



2. New factory = quota of free 20,000 tonnes (rent savings), to start in Q4 2024 ;



MOHAMED LAHLOU & MERIEM WADGHIRI, SEASON USA



THE GOLD RUSH



A MOROCCAN IN AMERICA



- ✓ America is a continent, with a very high purchasing power ;
- ✓ Most consumer products are sold at significantly higher prices ;
- ✓ Even the slightest success would strongly impact a company like Mutandis (size).



SEASON : THE STARTING POINT



- ✓ In the beginning, shift our sardine cans production towards the American consumer ;
- ✓ By purchasing the leading brand (50% market share) of premium sardine cans in the US ;
- ✓ 100 years old and sold at Costco, Walmart, Amazon etc... ;
- ✓ Combine factory margins and Season margins, at US retail prices (the highest).



SEASON : FIRST STEP



SEASON : THE JACKPOT?



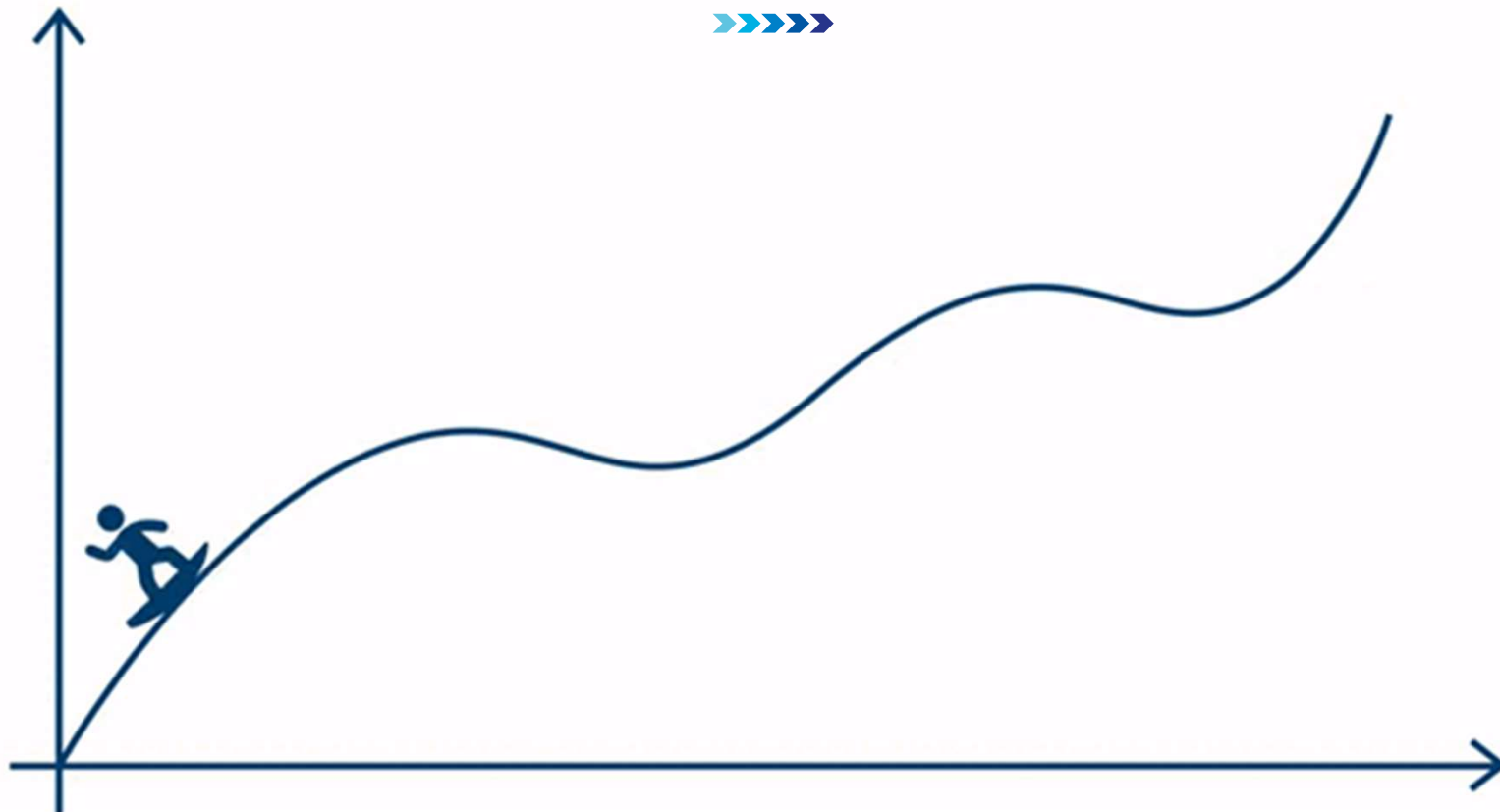
- ✓ Find a product compatible with the domain of the brand as perceived by the consumer ;
- ✓ Convince American retailers to try and experiment with us ;
- ✓ E-commerce is a great plus for us (compared to other markets) ;
- ✓ If a single product works, the impact might be significant for Mutandis
- ✓ 2025- 2030 timeframe.



NABIL BOUTALEB, DRINKS



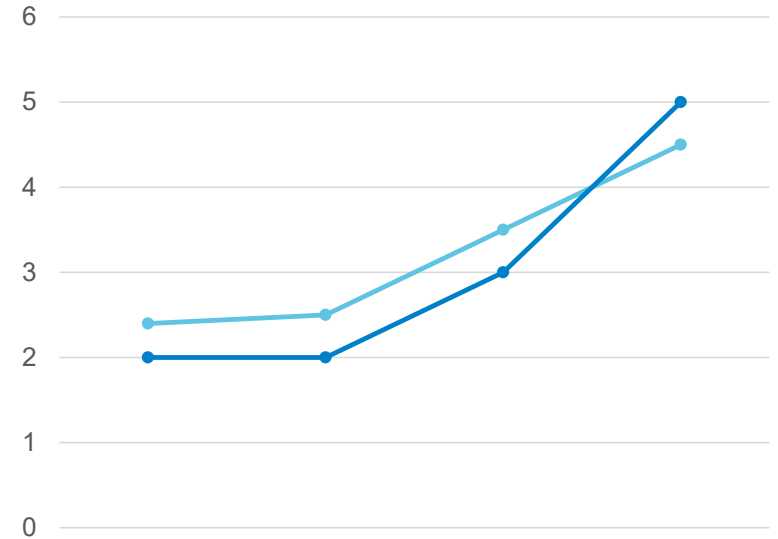
RIDE THE GROWTH



TWO FAST-GROWING CATEGORIES



- ✔ Bottled water, both natural mineral water and table water ;
- ✔ Low-cost fruit-based drinks ;
- ✔ « Real » fruit juices are more expensive, with less short-term growth.



AIN IFRANE CHALLENGES



- ✔ Consumer pulls very strongly, Ain Ifrane should reach the concession ceiling in 2024 ;
- ✔ The challenge for the future is a drilling, to extend our authorized volume (2025) ;
- ✔ The 2nd challenge is to optimize logistics expenses (2024-2025) ;
- ✔ The 3rd challenge is to launch a table water (2025-2026) ;
- ✔ Big potential, great category

OASIS, OASIS...



✔ Frut is inspired by Oasis : belongs to the soft drinks category, but a non-carbonated drink, with a naturalness claim (Fruit based). Not a fruit juice ;

✔ Frut pricing lower than multinationals in the CSDs (MAD 6/liter retail price) ;

✔ Somewhat of a gamble, but a very strong start ;

✔ With the new factory, range extension will start (new flavors, family size, out-of-home size...)



A GREAT POTENTIAL

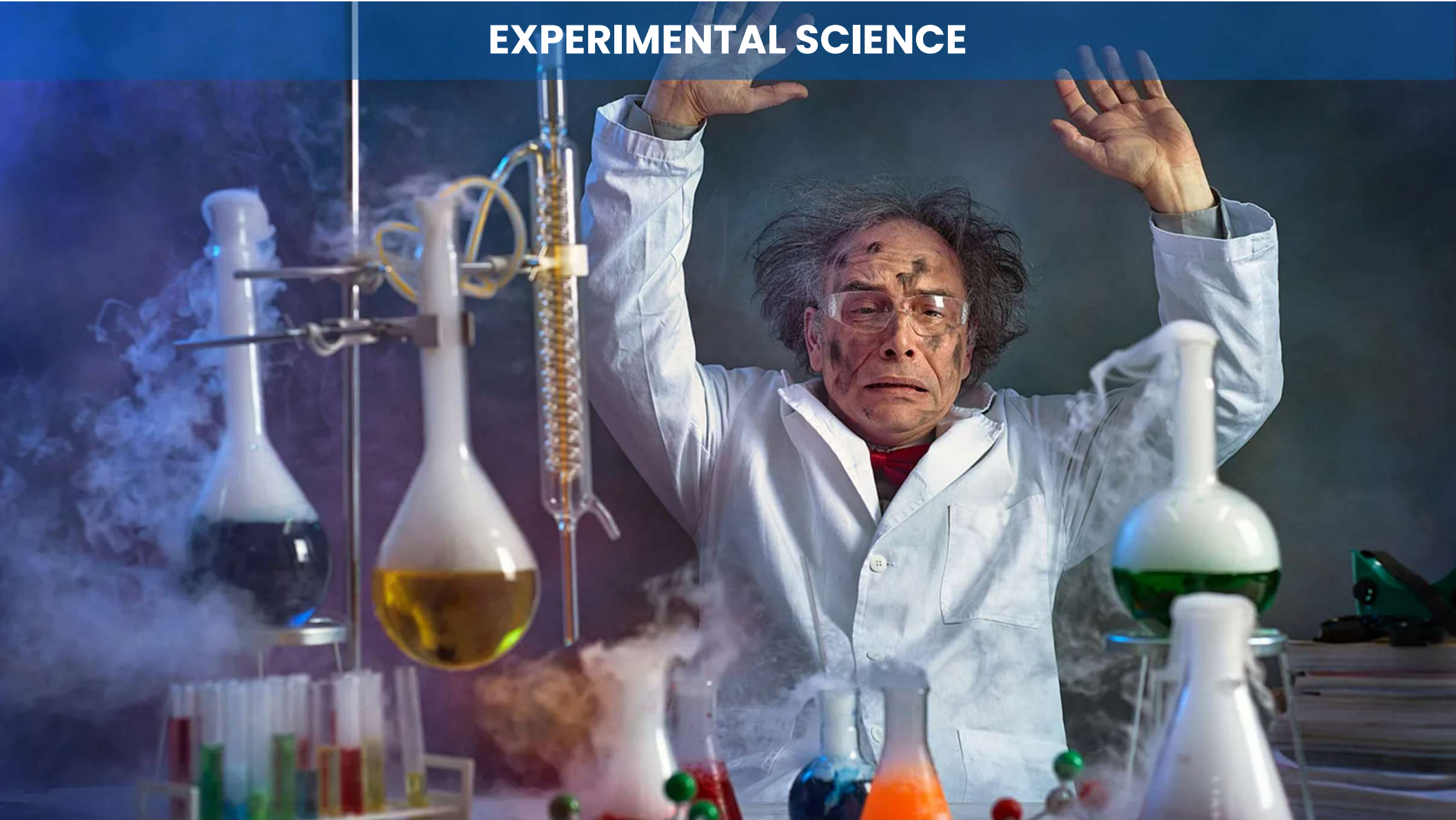


- ✓ 2024-2025 Frut launches will expand volumes ;
- ✓ Vitakids is the 2nd growth driver, no saturation yet ;
- ✓ Pure juices and nectars are mostly image products for the Marrakech brand ;
- ✓ We will have tripled the size of the brand in a decade (acquisition in 2017) ;
- ✓ Without mentioning our export project to Europe ...

SALIM CHOUDART, ROUTE TO MARKET



EXPERIMENTAL SCIENCE



FUNDAMENTAL THEOREMS



Modern trade is the worst channel in terms of margins → to minimise in the mix ;

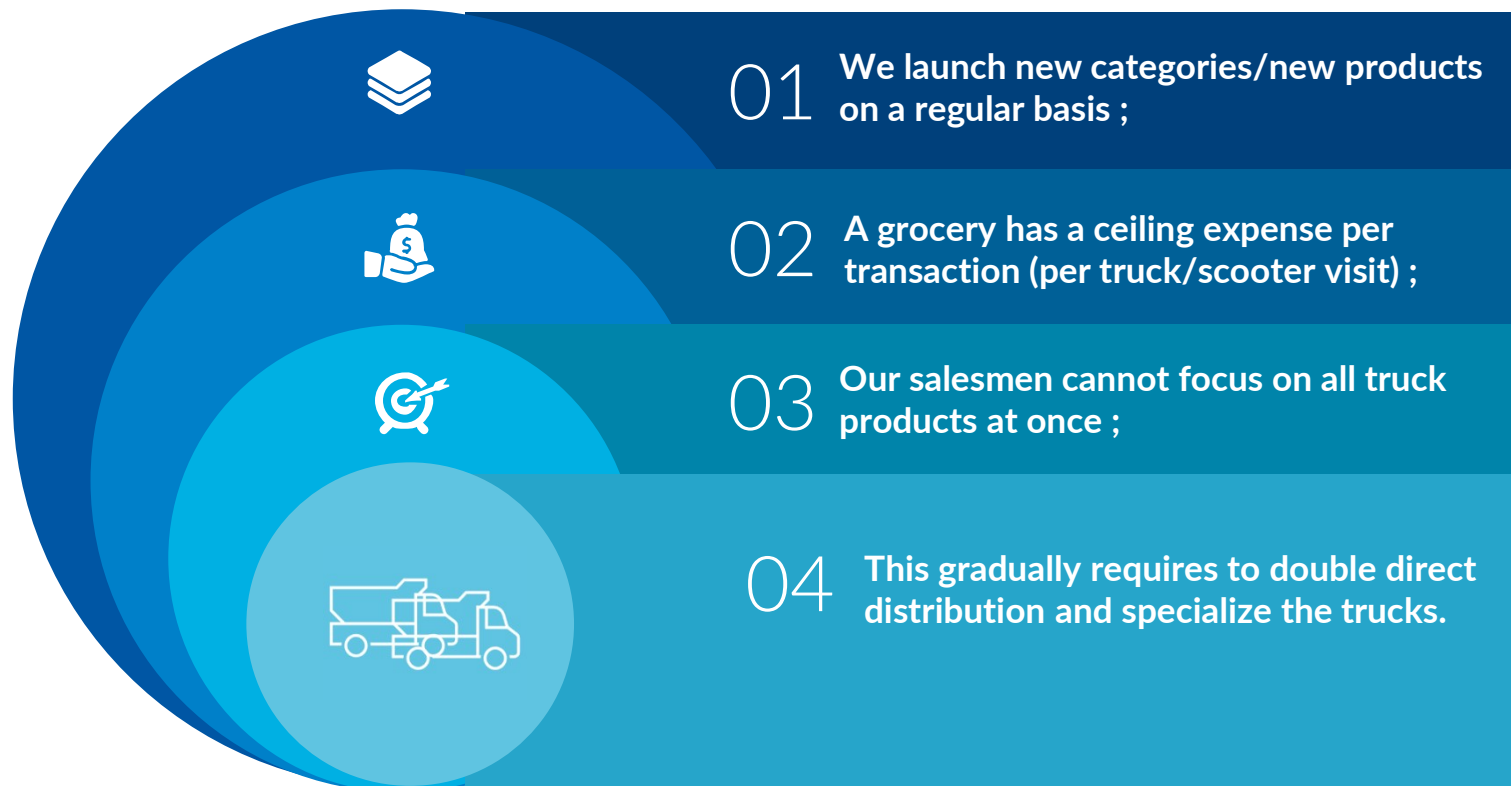
Rural « souks » (wholesalers/ semi wholesalers) are in Mutandis DNA ;

Urban wholesalers are useful for some categories/brands ;

Direct distribution to groceries (and via third distributors in remoted areas) is an important strength protecting us.



MUTUALIZATION HAS ITS RULES



EXPERIMENTAL SCIENCE



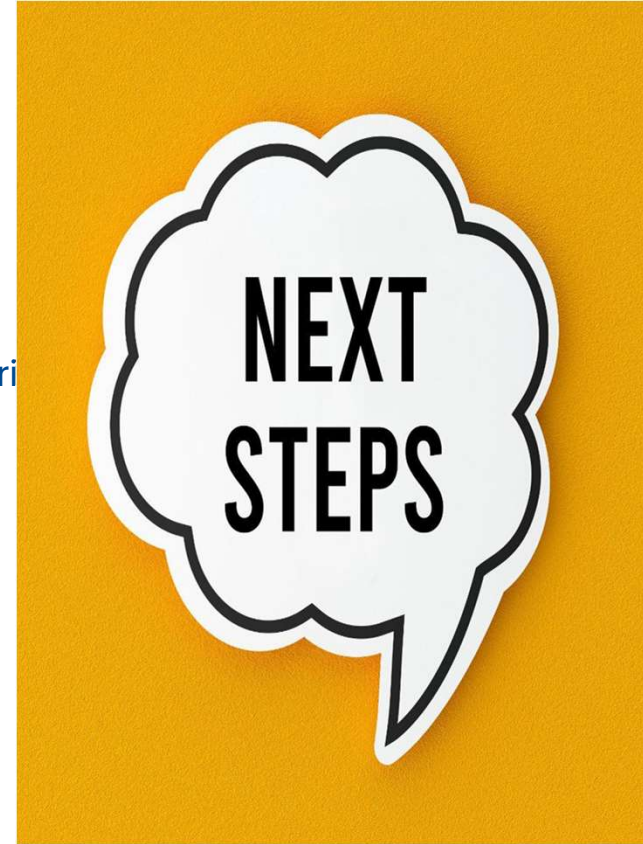
- ✓ Do our salesmen follow optimal routes?
- ✓ Will sending two specialized trucks to the same grocery double our revenues ?
- ✓ Which categories are best together in the same truck?
- ✓ There is no perfect recipe and we gradually keep on improving.



NEXT STEPS



- ✓ Owing our route to market system is a barrier to entry for competitors ;
- ✓ Today, we list about 48,000 regular clients, there are at least 70,000 groceri
- ✓ We grew from 120 mobile sales units 5 years ago, to 250 at the end of 2024 : still growing ;
- ✓ Ain Ifrane brings coffee shops/hotels/restaurants as a new channel : for Frut ? For cans?
- ✓ Still good growth potential in Morocco.



**FATIMA-ZAHRA MADIOUNI,
SUPPORT FUNCTIONS DIRECTOR**



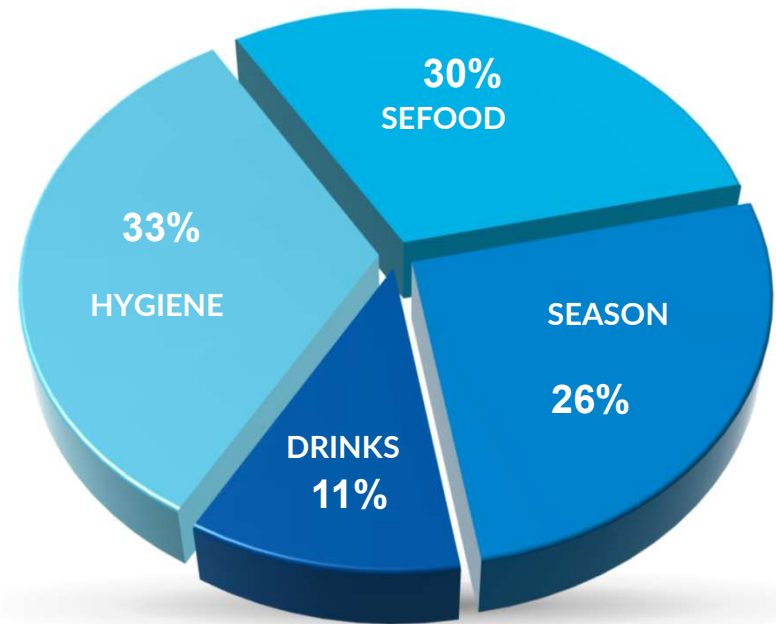


FIGURES, FIGURES ...

2023 CONSOLIDATED REVENUES (excluding Beverage bottles)



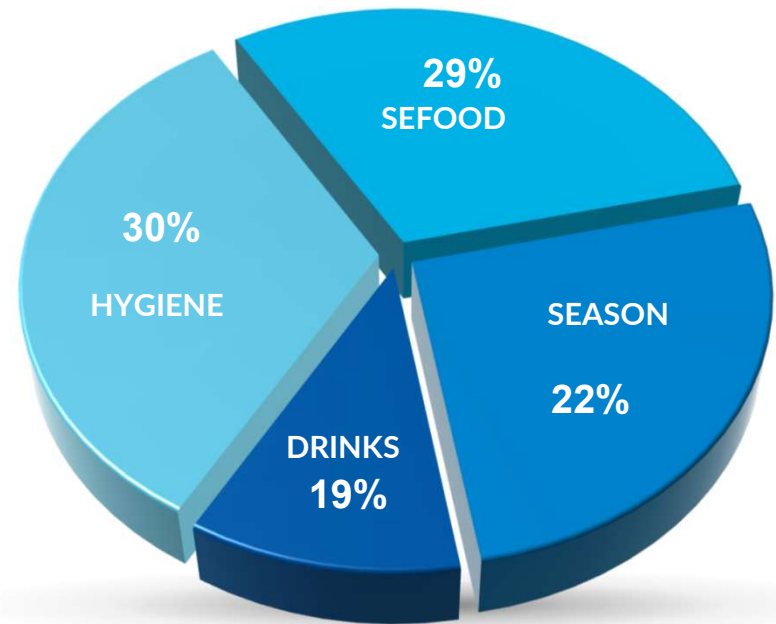
2023 revenues : MAD 2 167 Million (excluding beverage bottles business)



2027 CONSOLIDATED REVENUES



**2027 revenues : MAD 2 650
Million**



2023* - 2027 INDICATORS



2027 REVENUES > MAD 2 650 MILLION

Vs MAD 2 167 million in 2023 , pulled by the new categories

EBITDA 2027 < MAD 390 million-MAD 430 MILLION >

VS MAD 283 million in 2023, new categories with new margins.

2027 RECURRING NET INCOME ~ MAD 200 MILLION

VS MAD 118 Million in 2023

** Excluding beverage bottles business*

2024 - 2027



✓ *Excluding CMB Plastique*

**Σ operating
Cashflow**



~MMAD 850

Σ CAPEX



< MMAD 400

Σ Free Cashflow



~MMAD 450

✓ *Sale of CMB Plastique*



**MMAD 330
CMB sale in
2024**



**Group Debt
payment**

TO 2028 (ICA)

ADIL DOUIRI, CEO





« Whatever is well
conceived is clearly
stated »

Boileau 2.0



QUESTIONS &
ANSWERS

THE END