





INVESTOR PRESENTATION

25 January 2022

IMPORTANT INFORMATION & DISCLAIMERS

This presentation contains information about the business of, and the shares in M&Z plc (the "Company") being offered by the existing shareholders. This presentation and the information contained herein is subject to change at the Company's sole discretion and is highly confidential and may contain legally privileged information.

The offer of shares is the subject of an application with the Malta Financial Services Authority (MFSA) and the Malta Stock Exchange (MSE). Furthermore, any forward-looking statements, including those relating to matters which are not historical facts, and which involve projections and assumptions of future circumstances, are subject to a number of risks, uncertainties, assumptions and important factors that could cause actual risks to differ materially from the expectations of the Company's directors. No assurance is given that future results or expectations will be achieved.



INDEX

1. Information about the Company
2. Operations, Product Categories & Brands
3. Financial Information
4. Information about the Share Offer



THE COMPANY

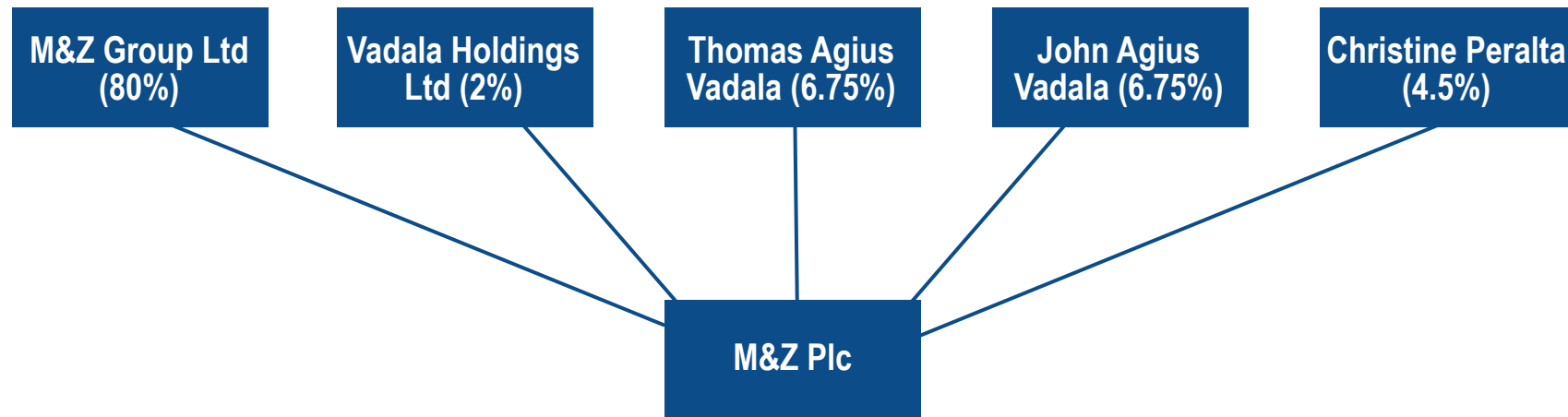
M&Z plc is a Maltese Company and a key player in the local fast-moving consumer goods (FMCG) market representing a portfolio of internationally loved brands. Turnover is projected to reach €22.69 million in 2021.

In 2022, M&Z will celebrate 100 Years of Business.



COMPANY ORGANISATIONAL STRUCTURE

The following diagram illustrates the corporate structure of the Company:



OBJECTIVES & STRATEGIES

The Company's objective is to deliver long-term value to its shareholders by growing the business sustainably and ensuring consistent profitability.

M&Z plc seeks to meet its objectives through

- Year-on-year organic growth by aligning its business with consumer trends
- Continued interest and appetite for the acquisition of other FMCG business with high growth potential
- Leveraging its expertise in order to develop its brand offerings



BOARD OF DIRECTORS

The Board of Directors is composed of highly talented individuals with diversified backgrounds and experience both in the FMCG field and beyond. The Board is chaired by Carmel J. Farrugia, an Independent Non-Executive Director of the Company. The Board is composed of the following members



Carmel J. Farrugia
CHAIRMAN



Emma Pullicino
BUSINESS DEVELOPMENT
DIRECTOR



Erika Pace Bonello
HR DIRECTOR



Frances Fenech
MARKETING DIRECTOR



**Greta Camilleri
Avallone**
MANAGING DIRECTOR



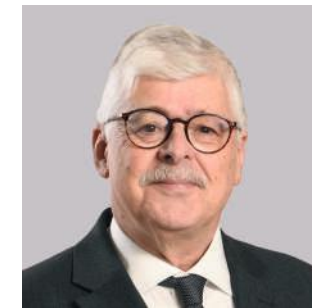
Kevin Rapinett
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Matthew A. Camilleri
NON-EXECUTIVE DIRECTOR



Paul Camilleri
EXECUTIVE DIRECTOR



**Thomas Agius
Vadala**
FINANCE DIRECTOR

AUDIT COMMITTEE

The Company has an audit committee set up to assist the board in fulfilling its supervisory and monitoring responsibilities. It is a sub-committee of the Board and is directly responsible and accountable to the Board. The Committee is chaired by Kevin Rapinett, an Independent Non-Executive Director of the Company. The Audit Committee members are



Kevin Rapinett
INDEPENDENT
NON-EXECUTIVE DIRECTOR



Carmel J. Farrugia
CHAIRMAN



Matthew A. Camilleri
NON-EXECUTIVE DIRECTOR

EXECUTIVE COMMITTEE

Strategies set out by the Board are executed by the Executive Team who are responsible for decision-making on day-to-day issues. It utilises the Company's senior management team to ensure Board strategy is implemented and is made up of the following members



**Greta Camilleri
Avallone**
MANAGING DIRECTOR



**Charmaine
Sciberras**
CREDIT CONTROL MANAGER



**Christian
Giordimaina**
FINANCIAL CONTROLLER



Emma Pullicino
BUSINESS DEVELOPMENT
DIRECTOR



Erika Pace Bonello
HR DIRECTOR



Frances Fenech
MARKETING DIRECTOR



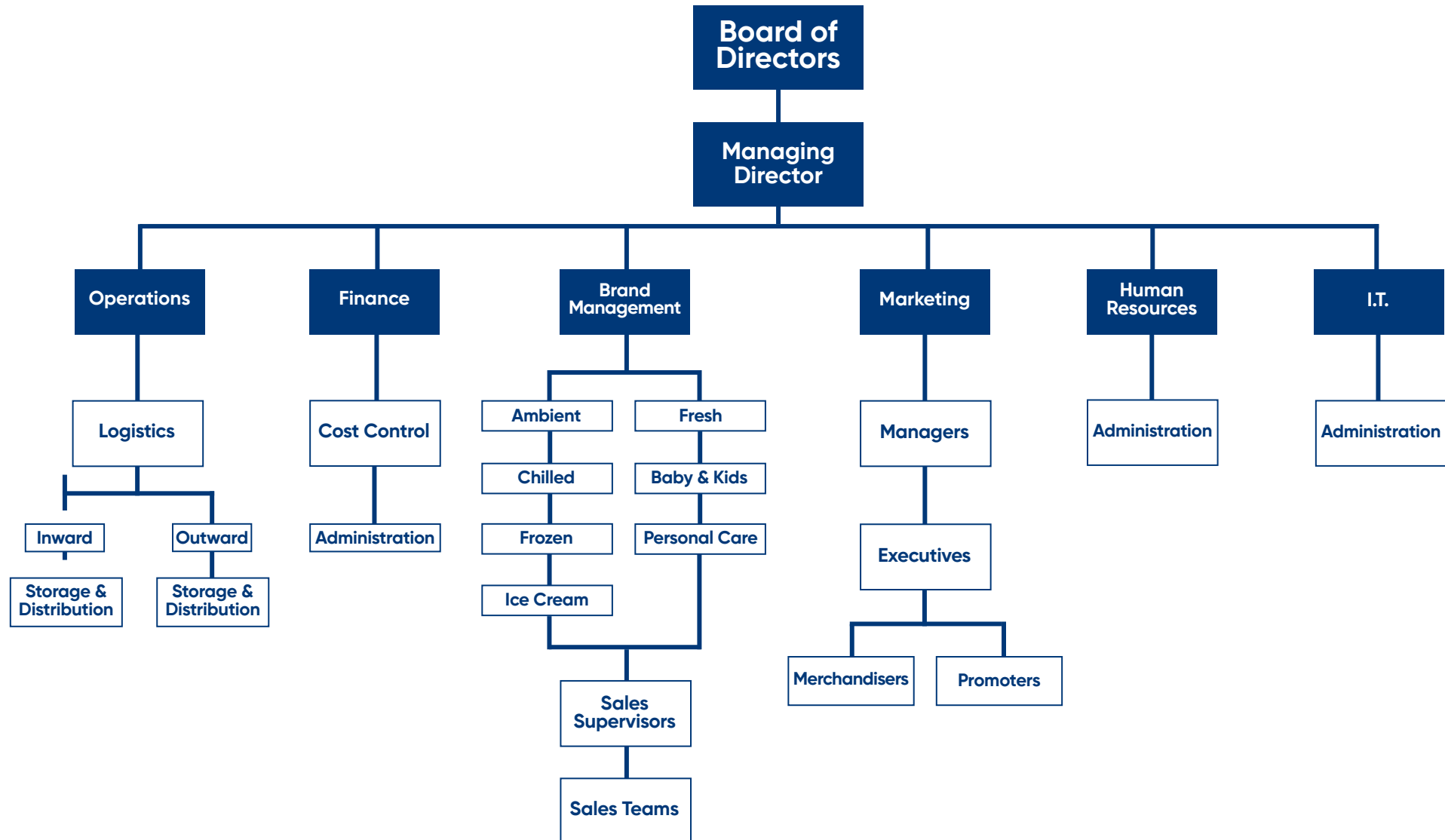
George Zammit
SALES MANAGER



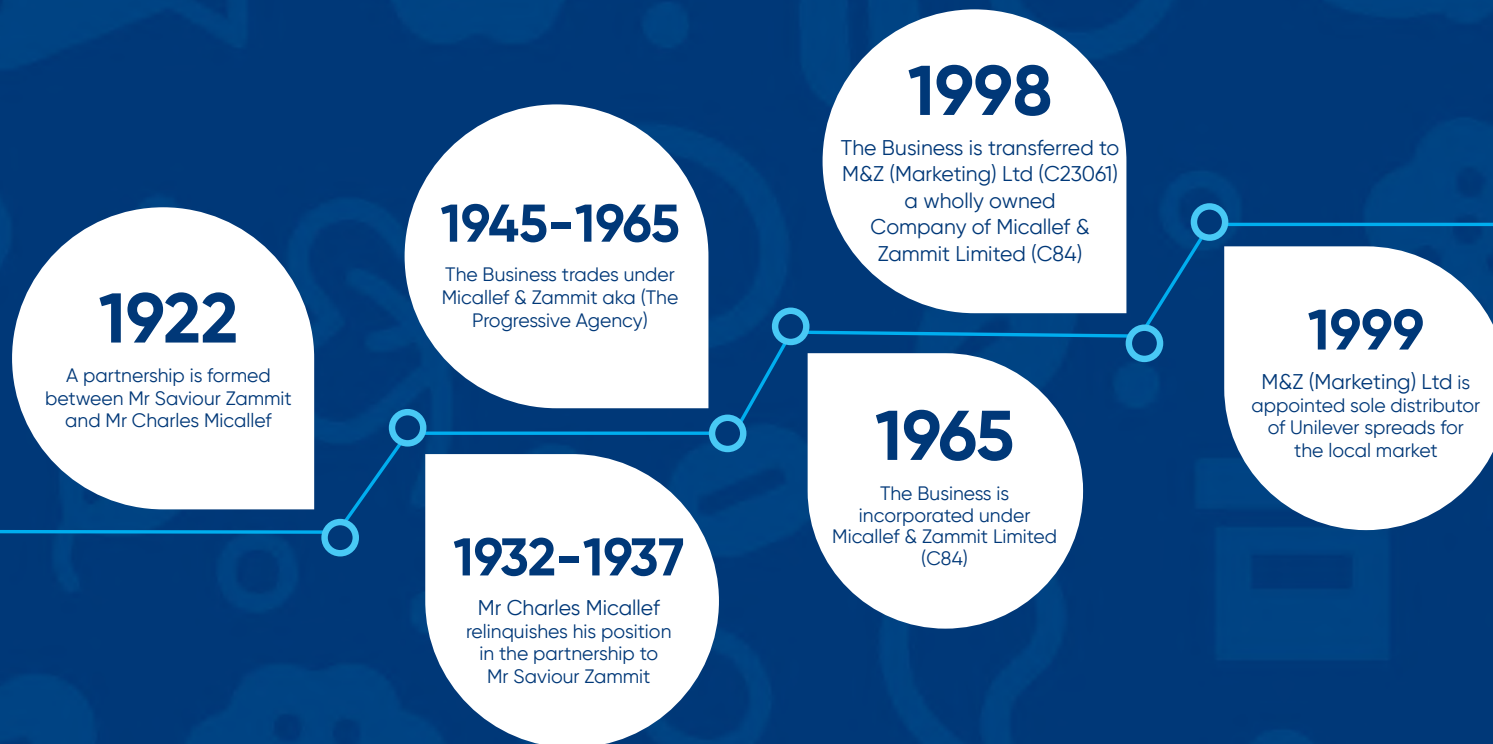
Natasha Saliba
LOGISTICS MANAGER

The Company employs 130 members of staff, organised as per below:

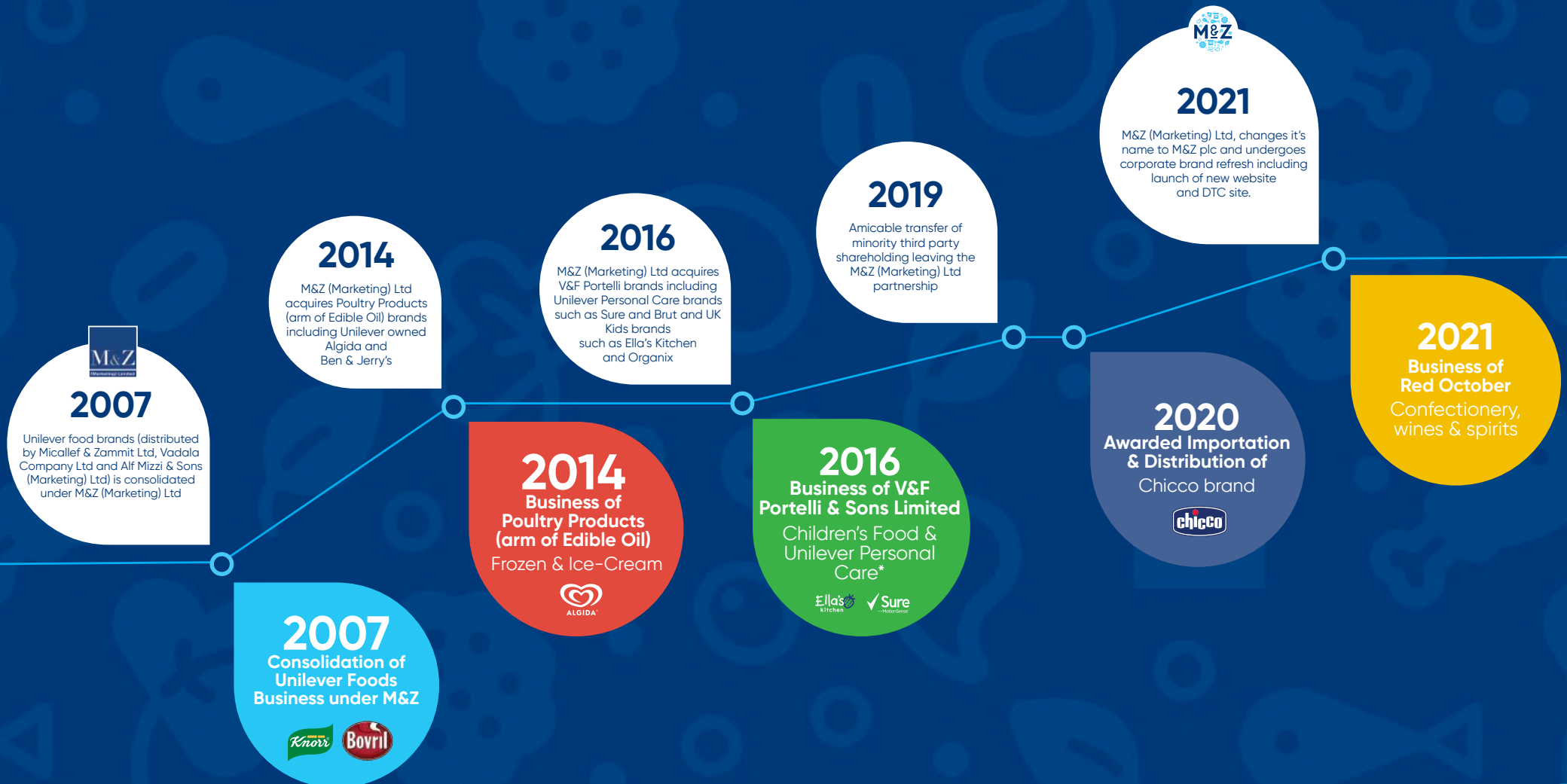
M&Z Organisational Chart



COMPANY MILESTONES



M&Z – THE LAST DECADE



KEY STATISTICS

Following are the key financial forecast statistics for 2021:

**€22.69
million**

Revenue

5.7%

Revenue Growth
on Previous Year

**€1.69
million**

Projected Profit
After Tax

KEY STATISTICS

It is ranked one of the top three local FMCG companies based on Revenue, was awarded AA Credit rating from Graydon UK and had a growth rate of 114% between 2008 and 2020.

M&Z Ltd is ranked
in the **top three**
local FMCG
Companies
based on
Revenue

Awarded AA
Credit rating from
Graydon UK

Growth rate
(2008-2020)
was **114%**

KEY STRATEGIES OVER THE NEXT FEW YEARS

The Company plans to reach its aggressive growth targets through a combination of the following strategies:



**Organic growth
in both the domestic
and new foreign
markets**



**Acquisitions for
consolidation &
diversification into
new categories**



**Continuing to
align portfolio with
consumer trends**



**Extending the
Company's route to
market**

PRODUCT CATEGORIES

The M&Z Brand Portfolio is comprised of 98 brands (including over 2,400 different stock keeping units) spread across 7 product categories as follows:



BRAND PORTFOLIO & SIZE

The Company's brand portfolio includes products sourced locally as well as from countries such as the UK, EU and the Far East including brands such as Unilever owned Knorr, Algida & Magnum Ice-Cream as well as other brands such as Flora, Stork & Chicco.



BRANDS – AMBIENT

A selection of key brands within the ambient portfolio:



BRANDS – CHILLED & FRESH

A selection of key brands within the chilled & fresh portfolio:



BRANDS – FROZEN

A selection of key brands within the frozen portfolio:



BRANDS – ICE CREAM

A selection of key brands within the ice cream portfolio:



BRANDS – HOME & PERSONAL CARE

A selection of key brands within the home and personal care portfolio:



BRANDS – BABY & KIDS CARE

A selection of key brands within the baby and kids care portfolio:



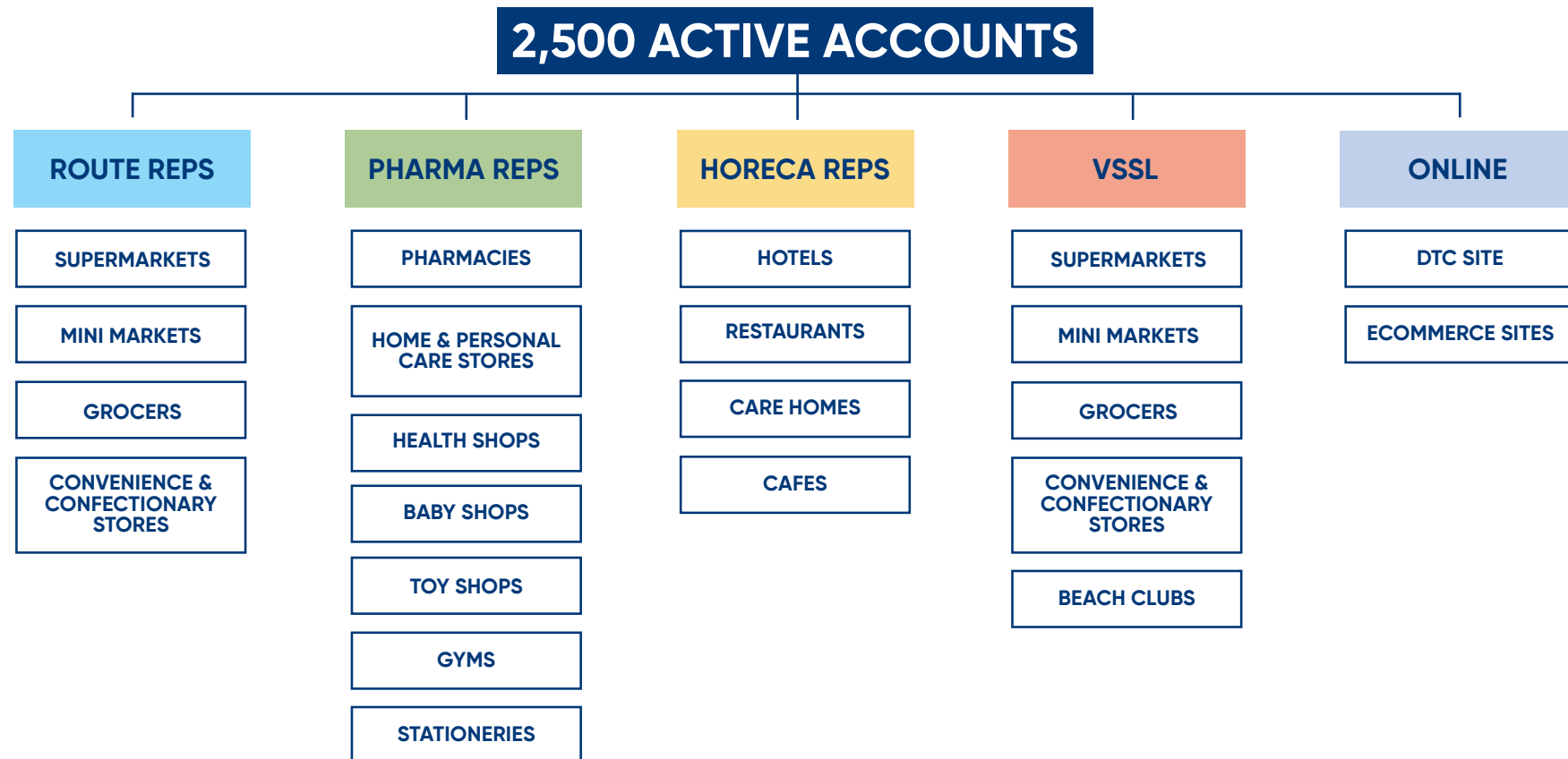
M&Z PREMISES

Head Offices are located in the centre of the Island spanning an area in excess of 6,000 sq metres. The extensive warehouse facilities are purpose built for ambient, chilled and frozen storage requirements within premises maintained to HACCP standards.



ROUTE TO MARKET

The Company's various sales teams service 2,500 active accounts across supermarkets, mini-markets, grocers, convenience & confectionery stores, home and personal care stores, health shops, baby shops, toy shops, pharmacies, hotels, restaurants, beach clubs, cafes, gyms, stationeries and online through its own direct-to-consumer (DTC) site as well as other 3rd party e-commerce sites.



BRAND MARKETING SUPPORT

Various mediums are used for brand marketing support depending on the nature of the product being marketed. Media buying is direct and the Company's inhouse marketing department sees to the production of its own brand communication across the various mediums such as TV, Digital & Instore Marketing.



TV ADVERTISING



SOCIAL MEDIA MARKETING



INSTORE MARKETING

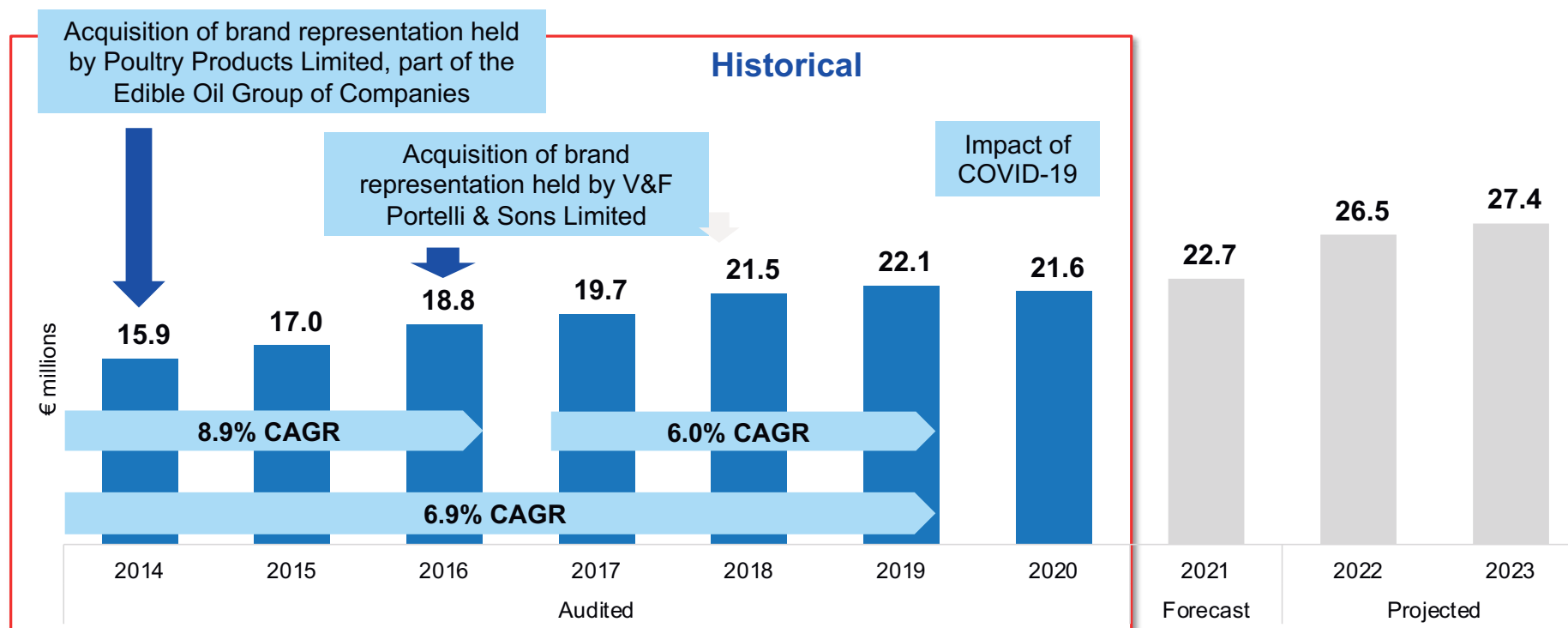
SUMMARY OF HISTORICAL AND PROJECTED OPERATING RESULTS

Profit forecast at €1.7m for 2021 and projected to increase to €1.9m by 2023

M&Z p.l.c. Income Statements for the years ended 31 December	2018 €000s	2019 €000s	2020 €000s	2021 €000s	2022 €000s	2023 €000s
Revenue	21,453	22,123	21,631	22,690	26,461	27,431
Cost of sales	(16,642)	(16,730)	(16,560)	(17,116)	(20,498)	(21,061)
Gross profit	4,811	5,393	5,070	5,574	5,963	6,370
Administrative expenses	(1,444)	(1,593)	(1,959)	(2,083)	(2,580)	(2,631)
Other operating income/(losses) - net	11	(9)	7	-	-	-
EBITDA*	3,379	3,791	3,119	3,491	3,383	3,738
Depreciation and amortisation	(727)	(799)	(733)	(748)	(768)	(747)
Finance costs	(83)	(123)	(109)	(99)	(105)	(90)
Profit before tax	2,568	2,870	2,277	2,644	2,510	2,901
Tax expense	(894)	(1,026)	(816)	(946)	(887)	(1,013)
Profit for the year - total comprehensive income	1,674	1,845	1,460	1,698	1,623	1,888
Earnings per share** (c)	3.8	4.2	3.2	3.8	3.6	4.2
Dividends declared (€000s)	8,992	1,640	1,200	1,800	1,267	1,267
Dividends per share** (c)	20.4	3.7	2.7	4.1	2.9	2.9

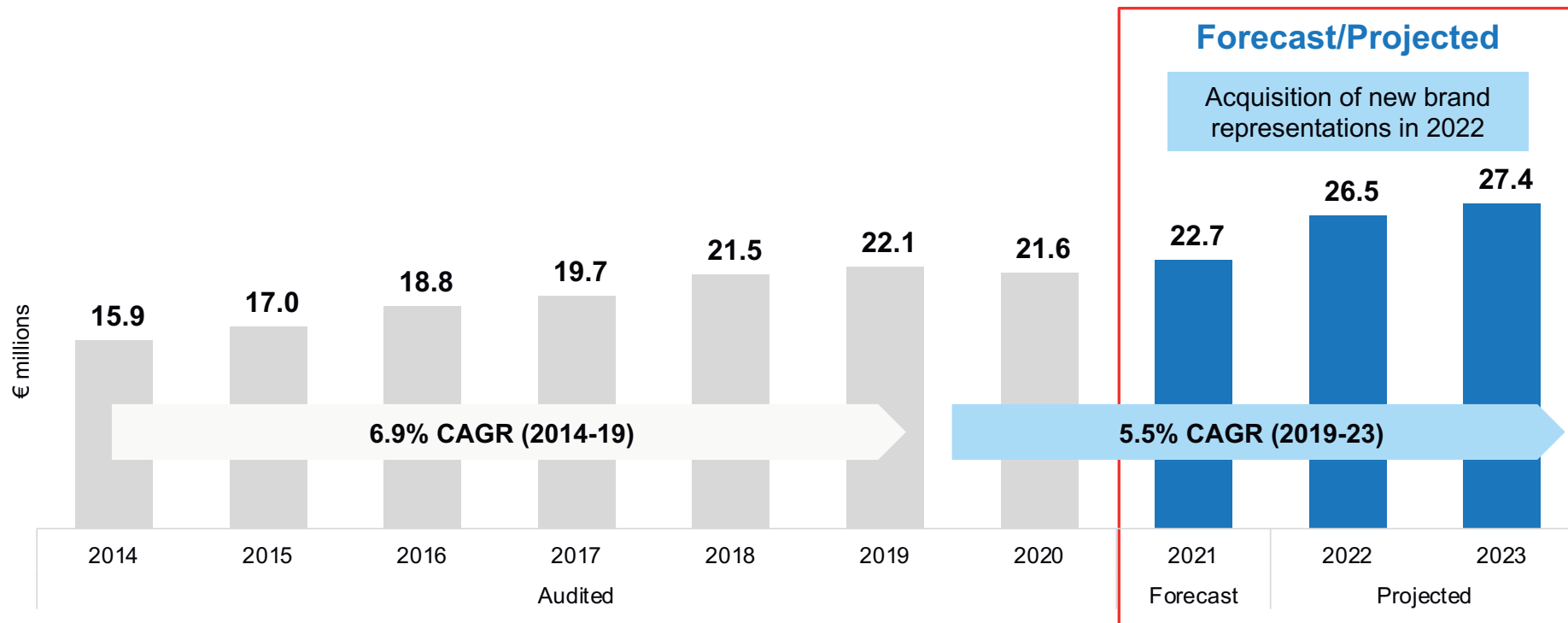
HISTORICAL GROWTH IN REVENUE

Revenue CAGR of 6.9% between 2014 and 2019 driven by organic growth of existing brand representation and bolt-on acquisitions



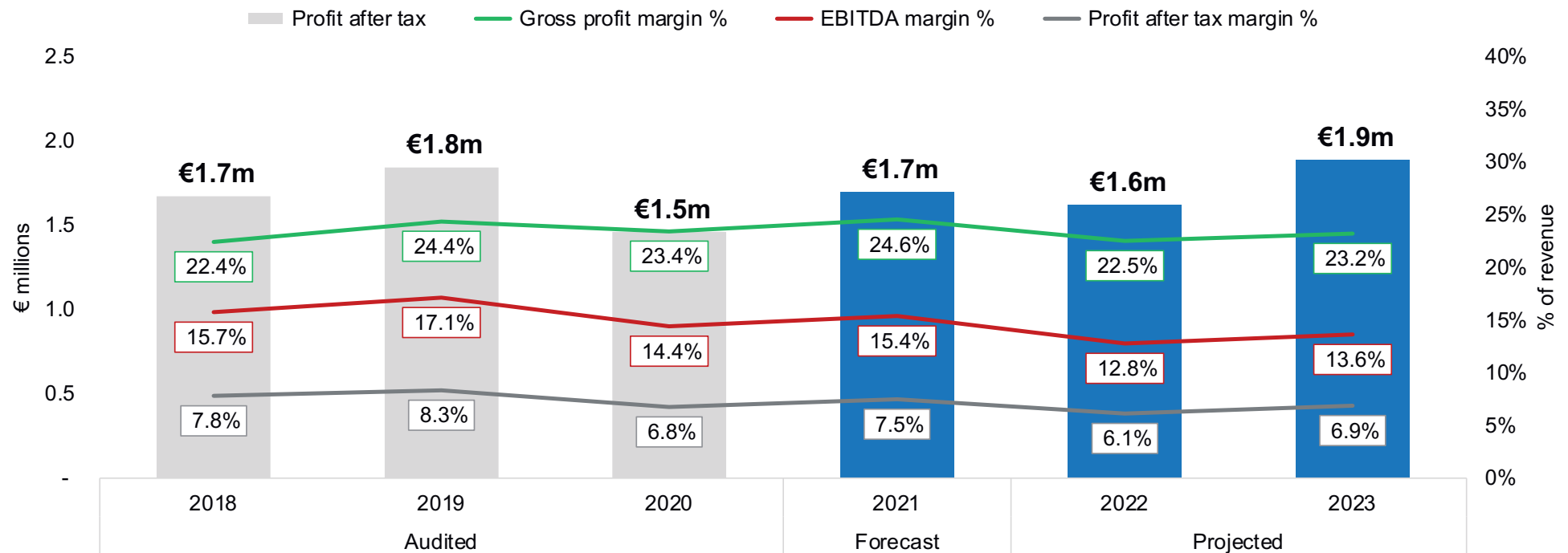
PROJECTED GROWTH IN REVENUE

Revenue forecast to recover to €22.7m in 2021, and projected to increase to €27.4m by 2023 including new acquisition in the process of being concluded



SUMMARY KPIS

Net profit margin contracted from 8.3% in 2019 to 7.5% in 2021 primarily due to increases in operating cost base and is projected to recover to 6.9% in 2023



SUMMARY OF FINANCIAL POSITION AS AT 30 JUNE 2021

Capital Employed in the business of €10.7m including an investment in net working capital of €7.5m that equates to 4 months of turnover

M&Z p.l.c. Interim Statements of Financial Position	30 June 2021 €000s
Intangible assets	156
Property, plant and equipment	1,416
Right-of-use assets	2,031
Deferred tax assets	250
Total non-current assets	3,853
Working capital	
Inventories	2,613
Trade and other receivables	6,164
Trade and other payables	(1,293)
Net working capital	7,485
Current tax liabilities	(642)
Capital employed	10,696
Return on capital employed (July 2020-June 2021 EBIT/Capital employed)	18.7%

*ROCE of 18.7%
based on LTM
results to June*

SUMMARY OF FINANCIAL POSITION AS AT 30 JUNE 2021

Business has to date been funded principally through reinvested earnings with minimal use of bank borrowings

M&Z p.l.c. Interim Statements of Financial Position	30 June 2021 €000s
Debt	
Lease liabilities - non-current portion	1,914
Lease liabilities - current portion	214
Cash and cash equivalents	(483)
Net debt	1,646
Equity	
Ordinary share capital	10,544
Preference share capital	1,500
Advances for shares to be issued	-
Other reserve	(5,083)
Retained earnings	2,089
Total equity	9,050
Total funding	10,696
Return on equity (July 2020-June 2021 net profit/Total equity)	13.2%
Gearing (Net debt/Total funding)	15.4%

Preference shares are held by existing shareholders and carry interest at 3% pa

Equity capital has been restructured with the negative reserve written off against share capital

VALUATION METHODOLOGY AND KEY ASSUMPTIONS

- Valuation prepared by our financial advisors and considered by the Board in arriving at the Issue Price
- The valuation is based on Discounted Cash Flow (DCF) approach and benchmarked to market parameters
- Projected cash flows discounted to present value using a Weighted Average Cost of Capital (WACC) which factors in the specific risks of the Company
- Key assumptions underlying the projections used for the purposes of the valuation include:
 - gradual recovery of consumer demand to pre-pandemic levels (2019 applied as benchmark) and organic growth thereafter;
 - acquisition of representation rights relating to [Target]’s brand portfolio as of 2022;
 - no further acquisitions assumed for the purposes of the valuation;
 - increase in projected headcount to support the projected growth in brand portfolio.

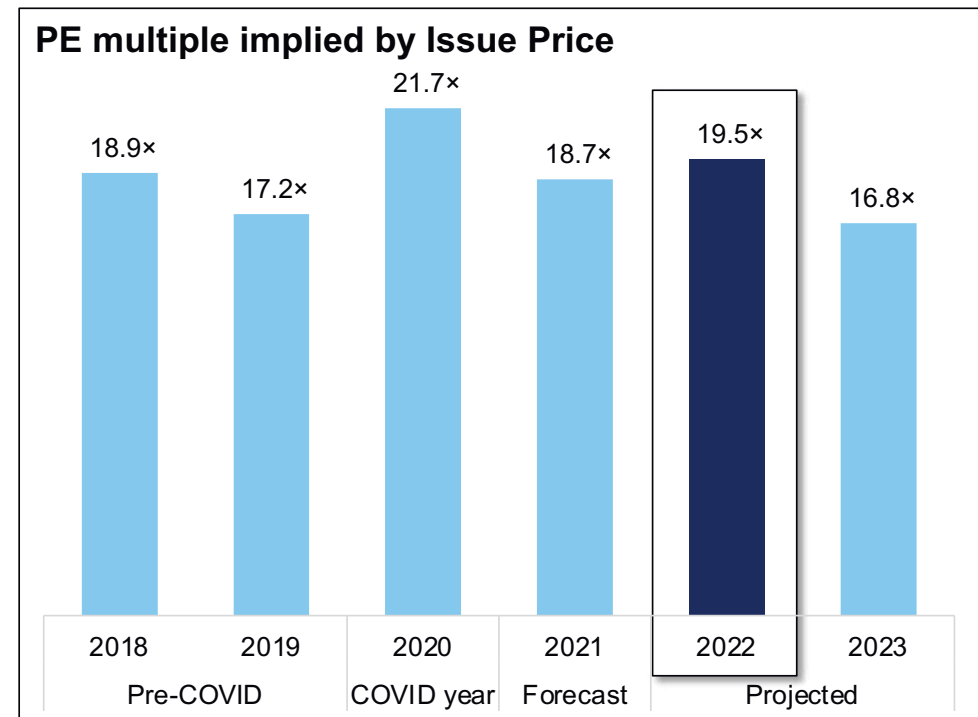
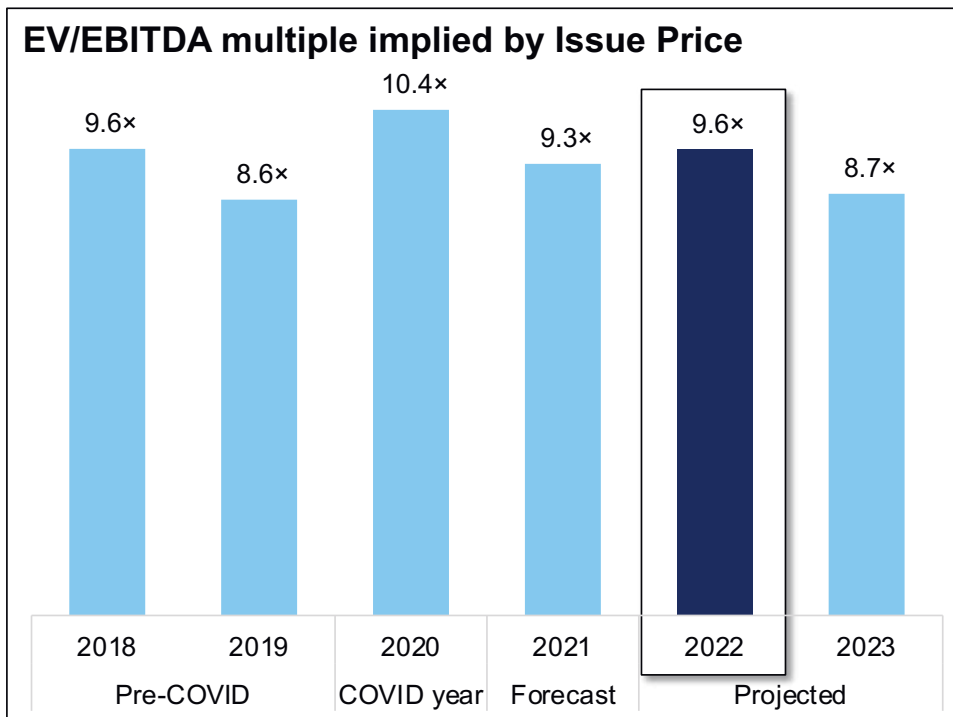
PROPOSED ISSUE PRICE

Issue price indicates an Equity Value of €31.7m and implies an Enterprise Value of €32.6m based on the forecast financial position as at 31 Dec 2021

Indicative Equity Valuation	€ millions
Total number of shares in issue	44,000,000
Issue price	72c/share
Equity Value based on issue price	31.7
Adjustments based on interim financial position as at 30 June 2021	
Cash and cash equivalents	(0.5)
Preference share capital	1.5
Current tax liabilities	0.6
Add back adjustment for net debt	1.7
Less forecast profit for the 6 months 1 July-31 December 2021	(0.9)
Implied Enterprise Value as at 31 December 2021	32.4

IMPLIED VALUATION MULTIPLES

Forward EBITDA multiple of 9.6× and Forward PE multiple of 19.5× based on projected 2022 EBITDA (includes projected contribution from new acquisition)



PROJECTED DIVIDEND YIELD

Projected dividend streams for 2022 and 2023 equate to a net dividend yield of 4.0% on the valuation based on the Issue Price

	Projected profits	Projected dividends	Dividends % of profits	Implied dividend yield on issue price	
				Gross	Net
2022	1,623	1,267	78.1%	6.2%	4.0%
2023	1,888	1,267	67.1%	6.2%	4.0%

- It is the Board's intention to recommend a total dividend distribution **of not less than 50%** of distributable reserves in respect of the Ordinary Shares.
- Moreover, for the financial years ending **31 Dec 2022 and 31 Dec 2023**, the Board intends to distribute dividends amounting to **not less than c. 75% and c. 65%** respectively of distributable reserves generated in each financial year.

SELLING SHAREHOLDERS AND DILUTION FOLLOWING SHARE OFFER

The Selling Shareholders hold in aggregate 43,120,000 Shares of a nominal value of €0.125 each in the Company, representing 98% of the Ordinary Shares of the Company.

Following admission to listing on the Official List of the MSE, subject to the Share Offer being fully taken up, the Selling Shareholders will, in aggregate amongst themselves, retain 31,570,000 Shares of a nominal value of €0.125 each in the Company, equivalent to circa 71.75% interest in the Ordinary Shares of the Company.

Selling Shareholder	Business Address	Number of Sale Shares being Offered	% Holding of Shares Pre-Share Offer	% Holding of Shares Post- Share Offer
M&Z Group Limited	93, Mill Street, Qormi QRM 3102, Malta	9,240,000 Ordinary Shares	80	59
Thomas Agius-Vadala	9, Museum Road, Rabat, Malta	866,250 Ordinary Shares	6.75	4.78
John Agius-Vadala	Bejt el-Qaws, Oleander Street, The Gardens, St. Julians, Malta	866,250 Ordinary Shares	6.75	4.78
Christine Peralta	85, Main Street, St. Julians, Malta	577,500 Ordinary Shares	4.50	3.19

Thomas Agius-Vadala is an Executive Director of the Company and has held such position for several years.

THE SHARE OFFER

The Selling Shareholders are offering for sale 11,550,000 Sale Shares at the Offer Price of €0.72 per Sale Share for a Total value of €8,280,000 representing 26.25% of the Company.



REASONS FOR THE IPO

Future proofing the business through:

1

Succession
planning

2

Cementing
relationships with
existing suppliers
ensuring long-term
partnerships

3

Encouraging further
consolidation in
the fragmented
local FMCG sector,
through M&As

4

Buying
shareholder brand
loyalty

5

Raising brand
awareness among
the local consumer

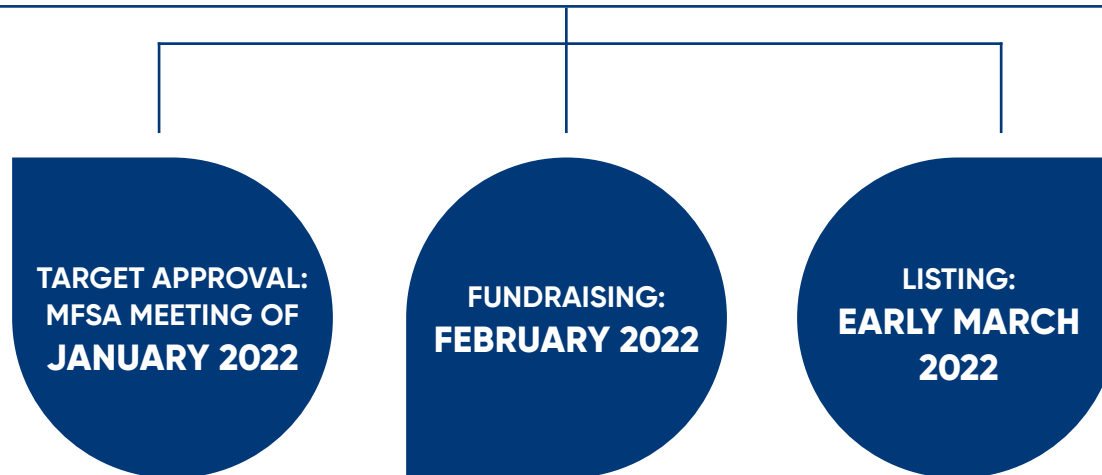
DIVIDEND POLICY

It is the Board's intention to recommend a total dividend distribution of not less than 50% of distributable reserves in respect of Ordinary Shares. For the financial years ending 31 Dec 2022 and 31 Dec 2023, the Board intends to distribute dividends in respect of the Ordinary Shares amounting to not less than 75% and 65% respectively of distributable reserves generated in each financial year.

The extent of any dividend distribution will depend upon, amongst other factors, the profits available for distribution for the year, the Directors' view on the prevailing market outlook, any debt servicing and repayment requirements including financial covenants and other restrictive covenants, the cash flows for the Company, working capital requirements, investment opportunities, capital expenditure and the requirements of the Act.

TIMETABLE

The Key dates relating to the Share Offer are as follows:



All the above dates are subject to change depending on the MFSA meeting dates and availabilities.

ADVISORS

**Sponsor, Manager &
Registrar**



Legal Counsel



**Auditors & Financial
Advisors**



THANK YOU

The background is a solid dark blue color. It is decorated with a repeating pattern of small, light blue icons. These icons include various shapes such as circles, squares, triangles, and abstract forms. In the bottom right corner, there are larger, semi-transparent geometric shapes: a square, a circle, and a thick blue line forming a partial frame.