



Teeba Investment for Developed Food Processing Company

Certified Financial Consultant Project

Done By: Marwan Hanoun
Marwan_Henno@yahoo.com

Content.....	1
List of Acronyms	2
Investment Summary	3
Teeba Forecast Plan	4
FMCG Overview	4
Tough Economic Situation	6
Government Concessions.....	8
Jordan's Situation Analysis.....	9
Teeba Investment for Developed Food Processing Company	10
SWOT <u>Analysis</u> of Teeba.....	12
Financial Overview.....	13
Financial Ratio Analysis.....	14
Outlook and Valuation.....	18
Valuation of Teeba.....	19
References.....	20
Appendix 1: Balance Sheet.....	21
Appendix 2: Income Statement.....	22
Appendix 3: Cash Flow.....	23
Appendix 4: TEEBA Financial Ratios Analysis	24
Appendix 4: Teeba Profile.....	25

List of Acronyms

TEEBA	Teeba Investment for Developed Food Processing Company
IDJ	International Dairy & Juice
MAT	Middle East and North Africa
IML	New Packing type for Teeba
POQ	Pre order Quantity
CAGR	Compound Annual Growth Rate
OH	Operation over Head Expenses
WACC	The weighted average cost of capital
JFDA	Jordanian Food and Drug Administration
SWOT	Strength, Weaknesses, Opportunities and Threats
EBIT	Earnings before Interest and Tax

Investment Summary

During 2018 Teeba sales volume growing by 8% comparing to 2017, and as per study of NELSON shows that it has market share for the following categories:

- Dairy products market share 23% and growth sales volume 9% .
- Juice products market share 23% and growth sales volume 2% .

On the other hand gross margin Teeba declining by 24% around **5** million comparing to 2017 due to price sensitivity for **yogurt** on the market that affect to lose margin in addition to high operational cost for the alrwaabi factory which is lead management to decide for shut down the factory and discontinue Fresh & long life juice line (Tropicana) and start importing alamari fresh juice brand.

Also in 2018 Teeba has been affected by Impairment of financial assets- IFRS (9) replaced the 'incurred loss' model in IAS (39) - based on the forward-looking, The model assessed the expected credit losses of the financial assets by applying the simplified approach, which required recording the expected loss of 2.7 Million .

In 2018 Teeba closed with a net loss of 9 Million and the 5YP showing that they will have 2019-2023 profit starting 2019 80KJOD and growth onward and expected by 2023 to have net profit 1.5 million.

Forecast Assumptions

The 5 years plan of Teeba is projected 3% growth vs. previous year results, taking into consideration the below assumptions:

Market Dynamics

1. Tough Economic Situation
2. Imposing the new tax law
3. Low purchasing power
4. Return of Syrian refugees
5. Cash flow issues
6. Cow importation law
7. Importation restrictions
8. Increase in energy costs

FMCG

1. Total market decline by 11% and expected to continue declining
2. Increase the number of players mainly from Saudi and Turkey
3. Carrefour size of business expansion YOY
4. Intensity of promotions expected to continue in the future

Dairy Category

1. Yoghurt market declining by 10% and expected to continue declining
2. Small local dairy producers
3. Milk supply limitations
4. Expected future price increase in the industry

Juice Category

1. Fresh juice category is declining by 12.2% and expected to continue declining
2. Increase the contribution of Juice drink category vs. Fresh juice
3. Expected aggressive price promotion by Alyoum
4. Availability of alternative freshly squeezed juice during Ramadan

The expected future plan is to have a profitable business in Teeba. Moreover, Almarai Company (the Parent Company) has undertaken to provide financial support to the Company in order to enable the Company to meet its financial obligations within 12 months from the date of approving these separate financial statements to ensure the continuity of the Company. Also the increase on yogurt prices were expected during 2019, additionally Teeba has launched several new products expanding its own portfolio such as Almarai yogurt, Almarai Labneh, Almarai Shanenah, Almarai Desserts and Almarai Milk Powder.

Introduction

FMCG Overview

JORDAN

Macro-economic

Population:

Jordan has a somewhat low population density among the countries of the region— around 62 people per/km². However, around 78% of residents live in urban settings, and a large portion of the population (~38%) in Amman. Most of the Jordanian population is constituted of residents of Palestinian descent stemming from either the 1948 Arab-Israeli War or the loss of the West Bank in 1967.



Other MACRO ECONIMIC Indicators



UNEMPLOYMENT RATE (Q4 2018)

19.0%



**LABOR FORCE PARTICIPATION RATE
(Q4 2018)**

~35.1%



POPULATION BELOW POVERTY LINE (2018)

14.4%



Inflation Rate

3.5%



**REAL GDP GROWTH RATE
(Dec 2018)**

~2.0%



**CONSUMER SPENDING
Billion JOD (2016)**

11.44

Tough Economic Situation

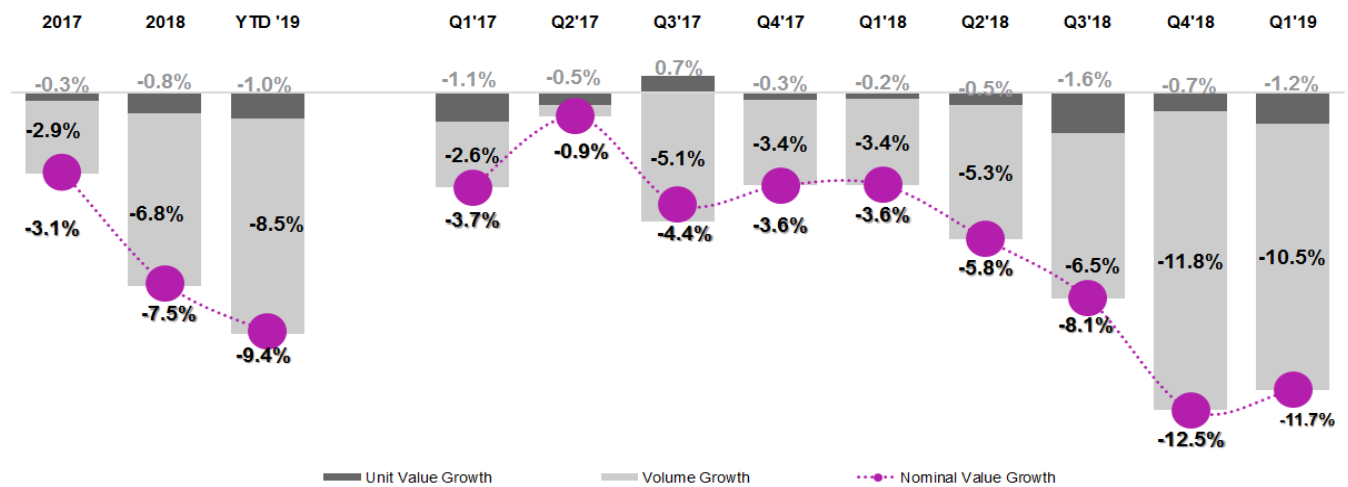
During 2018 we had the following tough situation affecting the business overall:

- 5% Increase in Fuel Prices
- 14% Increase in Electricity Prices
- Industrial Production decreased by 2.6%
- Taxable income threshold was set at JD20,000 for 2019 (to reduce to 18,000 in 2020)
- 50% to 100% VAT Increase on food staples & commodities
- Protests in Jordan calling for an end to “excessive taxation” and issuing “ultimatums” on corruption

Jordan – FMCG market dynamics

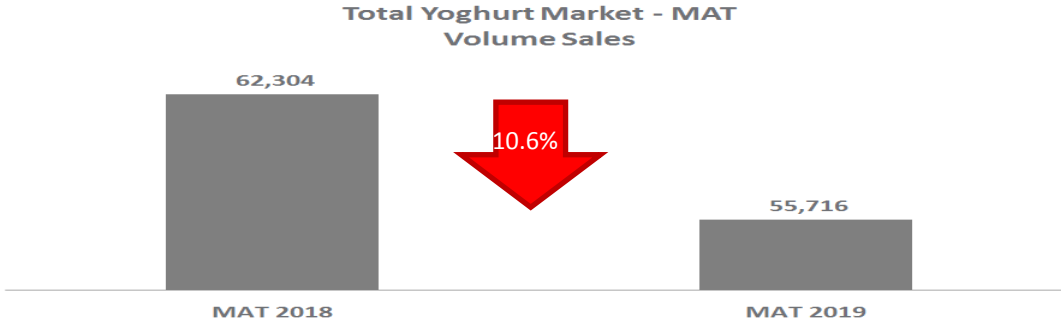
Key highlights:

Sales continue declining volume and value. Nominal decline still exceeded -10% vs the same quarter year ago. Volume declines -1.2% compared the first quarter last year.



Fresh Dairy:

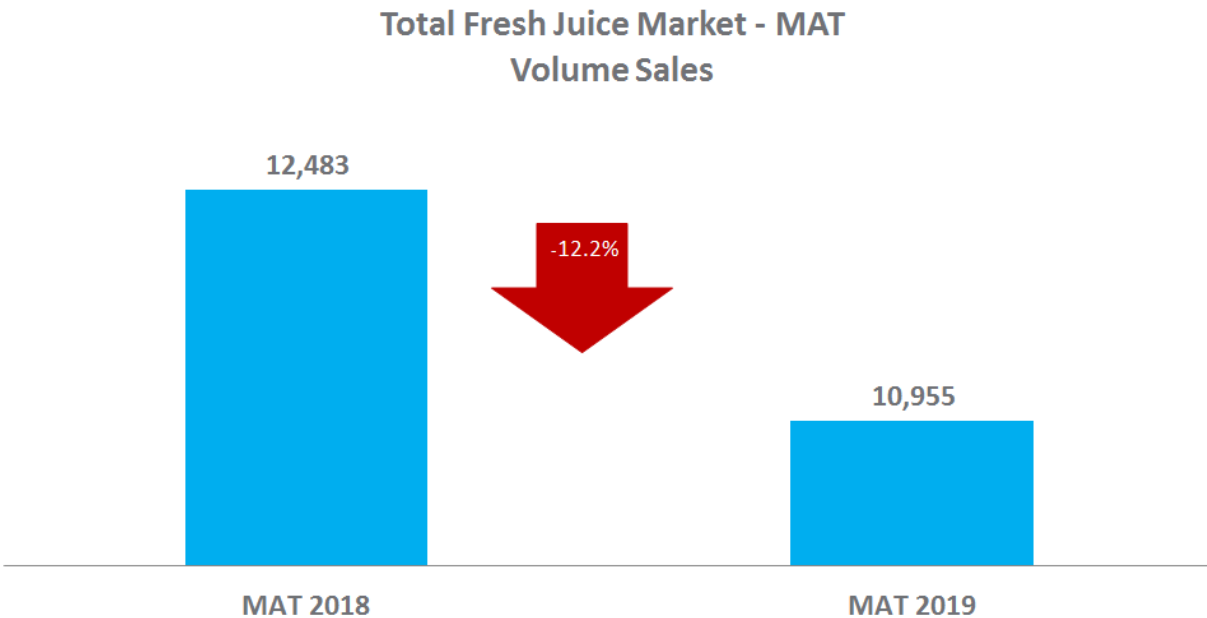
AS per NELSON's last study, data shows a declining market MAT 2018 vs. 2019 reading by **10.6%** as per the below graphs.



On the other hand Teeba showed improvement vs. 2018 2.9%

Fresh Juice:

MAT 2018 vs. 2019 was declining by **12.2%** according to the last reading from Nelson.

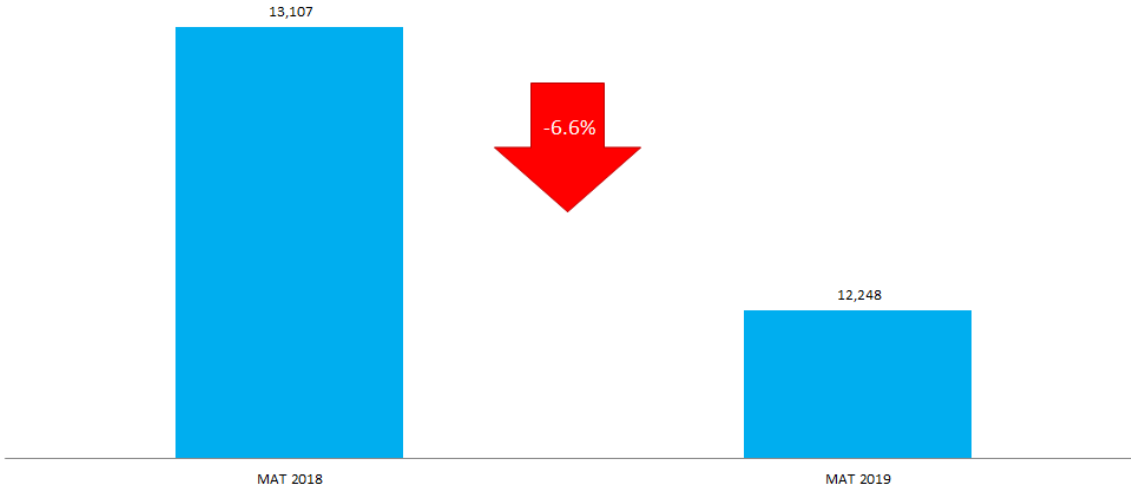


However, Teeba has introduced a new strategic promotion which was reflected positively on the numbers with a good growth of 12.7% vs. last year.

Fresh milk:

According to Nelson, Milk was also declining by **6.6%**

**Total Plain UHT Market - MAT
Value Sales**



On the other hand Teeba has shown a significant improvement comparing to 2018 by 17.5%

Government Concessions

Investment support

Competitive Advantage

New Law for investment expected to be applied on 2020 which is expected to motivate industry sector

Employment

The industry is employing around 45,000 people between the regions. Also, Holders of post-secondary educational degrees (Diploma, BSc, MA, MSc, and PhD) are representing more than 67% of the total employees, which indicates that the industry has a base of strong and adequate human resources.

Jordan's Situation Analysis

Demographic Shifting

- Families in Jordan tend to be large and extended (Average HH is 5.4).
- The fluxes of refugees that resulted in stepped increase in consumers

High Fertility

- Despite the drop in fertility rates over the past decade, Jordan's population has more than doubled since 1980. The growth rate is still among the highest in the world, causing severe strains on the country's natural resources and infrastructure

Income Poverty

- A combination of high population growth, the return of thousands of workers from the Gulf States following the 1990 - 1991 Gulf crisis and low economic growth has made income poverty more widespread.
- Unemployment among women is about twice that of men

Regional Conflicts

- The escalation of the conflict between Israel and the Palestinian National Authority (PNA) has affected major economic sectors in the country (i.e. tourism) plus the step wise increase in population due to frequent refugee influx to the country i.e. the latest refugee Syrian influx due to the Syrian crisis.

Climate Change Impact

- Models predict increase in evapo-transpiration of 3%, decrease in rainfall of 15%, increase in irrigation water demand of 18% and as a result decrease in water availability about 30% in the next 20 years

Teeba Investment for Developed Food Processing Company

Teeba Investment for Developed Food Processing Company was founded in 2004 as a small family business that aims to supply premium dairy and juice products to the Jordanian market. The Company was established with a vision to provide consumers with top quality goods, whilst also enhancing their health and improving their nutritional lifestyles.

In the beginning of 2009, IDJ acquired 75% of Teeba Investment's capital while the original founders retained the remaining 25%. In 2012, the allocation of IDJ shares was revised, placing Almarai as the majority stakeholder with 52% and PepsiCo with 48%. In 2013, IDJ acquired the remaining 25% from the original founders, positioning Teeba Investment as a wholly-owned subsidiary under IDJ.

Since its inception, Teeba Investment's portfolio has included a comprehensive range of dairy products such as yoghurt, labaneh, shaneeneh, zabadi and jameed. Today, subsequent to IDJ's acquisition, the product line has grown to encompass Almarai goods, which comprise plain and flavored long life milk, fresh milk, a wide selection of cheese, butter and confectionaries; in addition to a wide selection of juice flavors manufactured under PepsiCo's juice brand Tropicana .

The Company's head offices are located in Um Al-Basateen in Madaba and its operation units are situated in Al-Hallabaat area. The fresh milk used in the manufacturing process of Teeba Investment's dairy products is sourced from the Company's Al-Atheer, Al Tabee'a farms, and is later produced in the Al-Rawaby and Al-Motahidoun factories

Business Strategical Perspective:

- Strengthen its product portfolio with new products and segments
- Expansion for new products.
- Entering to a complete new segment (Milk Powder)

Organization Area of Interest

1. Deliver positive EBIT through sales and cost saving initiatives.
2. Create high performance organization built on objectives and fair evaluation based on clear criteria. Retain, develop and attract the best talents.
3. NPDs(Almarai Yoghurt, Shanenah, Desserts, Labaneh, Powder milk, Cheese ...)
4. Build strong connections with government, community and regulatory bodies to improve image and expedite solutions to external issues (Imports, tax, JFDA.....)
5. Win with every customer in the market by building good, continuous, professional and ethical relationships.
6. Link Teeba to Almarai to be perceived as one company.

Partnerships

Teeba owned by IDJ as per below structure:

52% Almarai Co

48% PepsiCo

Teeba Product Groups :

- Fresh Dairy-Yogurt, Labneh, Shanenah, Jammed,
- Fresh Juice-Fresh high concentrate juice
- UHT Juice –Long life juice
- UHT Milk- Long life plain & flavored milk, Powder milk.
- Foods
- Bakery

Human Capital

Teeba exceeds the Jordanian Labor Law in treating and preserving the rights of its people.

The ‘Rules of Procedures’ ensures these rights.

- Health & Insurance is covered all employees
- Clear Key Performance Indicator (KPI) for all employees tackling the functional and behavioral competencies (WHAT & HOW).

Employees’ Benefits

- Clear salary scale with basic salary.
- Yearly bonus scheme based on business target.
- Comprehensive medical benefits with a broad-based provider network include
- Comprehensive medical, dental vision and basic insurance coverage. After trial period.
- Social security from one day.
- Transportation allowance.
- Daily meal.
- Maternity leave program, for mothers as in Jordanian law.

SWOT Analysis

This SWOT analysis of Teeba provides a strategic SWOT analysis of the company's businesses and operations. Shows a comprehensive view of the company's key strengths, weaknesses, the Potential opportunities and threats, in addition to provide a competitive advantage to the company Which expected to achieve the goals and objectives.

Strengths

- **Brand:** The Teeba brand is one of the best known local brands in Jordan.
- **Quality:** Quality perception by consumers of Teeba branded products and continue to ensure product superiority.
- **Support:** Backing of Almarai and PepsiCo
- **Team Engagement**

Opportunities

- **Fully leveraging existing assets and systems:** Make the existing business model more efficient and fully leverage the distribution system
- **Information Utilization:** Understand consumers, Market/business intelligence and data mining to develop proprietary insight and fully understand consumers, drive new segmentation, new consumption occasions, attract new consumers. Develop closer connection to consumer at the point of sale
- **Sales Channels:** Expansion into new sales channels i.e. HORECA & Optimize our current RTM resources.
- **NPDs:** New product categories / segments (innovation) and new geographies,
- **OH reduction:** New product categories / segments (innovation) and new geographies,

Weakness

- **Packaging:** Aged brand look (Phase 1 with facelift completed and IML(new packaging) in-progress
- **Assets:** Idle / Overvalued / under utilized

Threats

- **Declining Categories:** Due to various economic and political circumstances.
- **Competitor Growth:** Growth of dairy competitor Alyoum.
- **FDA Approval:** Import license issues.
- **Increasing Energy Cost:** Possible price fluctuations in all types of energy.
- **Price loyalty than brand loyalty**

Financial Overview

The case study is being built based on 2018-2024 years, showing the company growth with major expected changes taking in to consideration the portfolio expansion and opening new channels i.e Foods Services.

Financial analysis shows a company strengths and weaknesses and how to overcome and turning the weakness to opportunities and convert them to actions.

It was also showing the company performance and process for evaluating businesses, projects, budgets, and other finance-related transactions to determine their performance and suitability. Typically, to analyze whether an entity is stable, solvent, liquid, or profitable enough to warrant a monetary investment.

The financial management information used internally by finance managers to support the management in making directional decision which help in increasing the profits. Nevertheless, the same analysis is also being used for the investors / creditors to evaluate the company position and its ability to meet financial obligations.

Financial statement analysis also engaged in the examination of the relationships between income statement items and balance sheet accounts in the sense of how these relationships vary over time that refers to a trend analysis, and how a specific firm compares with other firms in the same industry that refers to benchmarking or comparative ratio analysis.

However, there are limitations with financial statement analysis; but when used with great caution, It can offer valuable information about the firm's operations.

Annual report of a company presents two significant types of information to shareholders; the first is a written statement of recent operations of the company and its expectations for the future year, the second includes a set of quantitative financial statements that report the financial position of a company including dividends and earnings, for the last few years.

The information included in annual reports will assist shareholders to form a clear picture about the future performance and earnings of a company. Annual report of a company includes the income statement that summarizes the revenues and expenses of a company during the accounting period and the balance sheet, which lists assets and liability, and shareholders' equity of a company during the accounting period.

Financial statements used to assist forecasting future financial position of a firm and to ascertain predicted earnings and dividends. For investors, financial statement analysis is important for future predictions. For management, financial statement analysis is helpful in planning and forecasting future circumstances of a firm. The primary phase of a firm's financial statement analysis is ratio analysis. Ratio analysis refers to the analysis of financial statements and the interpretation of financial data for a specific period of operation.

Financial Ratio's

Starting with the major changes during 2018 and forecast onward which shows the expected sales growth for Teeba 2018-2024, and the impact on market and industries that might affect the company using the multiple financial ratio.

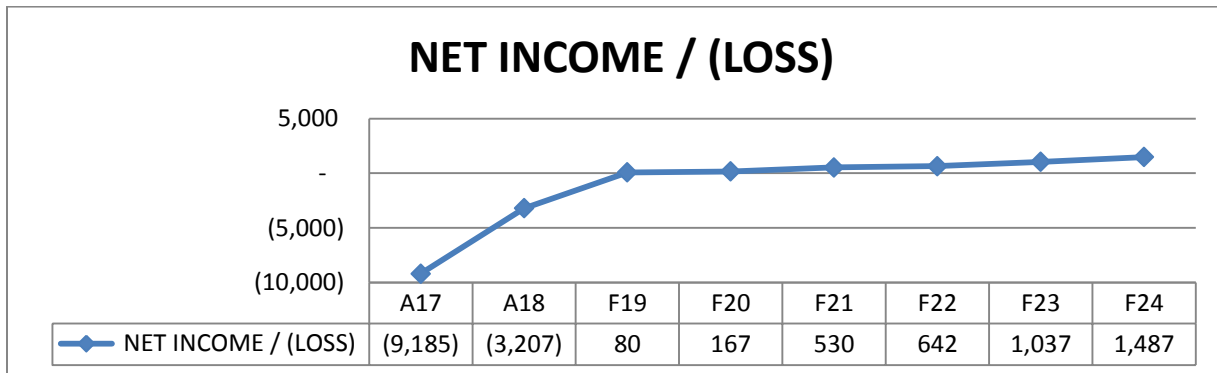
Teeba has shown a growth of 6% during 2017 and 2018, this attributed has been translated to a strong performance growth of approximately 4 Mio JOD overall driven by Long life dairy and foods category.

As table below shows the forecast growth 1% for 5 year plan.

JOD'000	2017	2018	2019F	2020F	2021F	2022F	2023F	2024F
Sales revenue	52,986	56,271	57,915	58,212	58,806	59,428	60,059	60,707
Growth rate	5%	6%	3%	1%	1%	1%	1%	1%

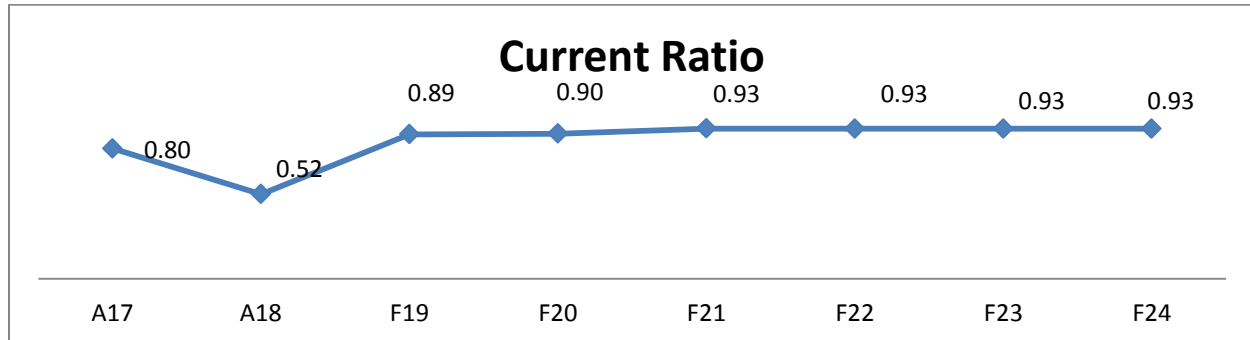
Going forward, since the operation of the company going stable comparing to the previous years.

Starting from 2019 a growth rate of 1% was assumed in our forecast for the three upcoming years.

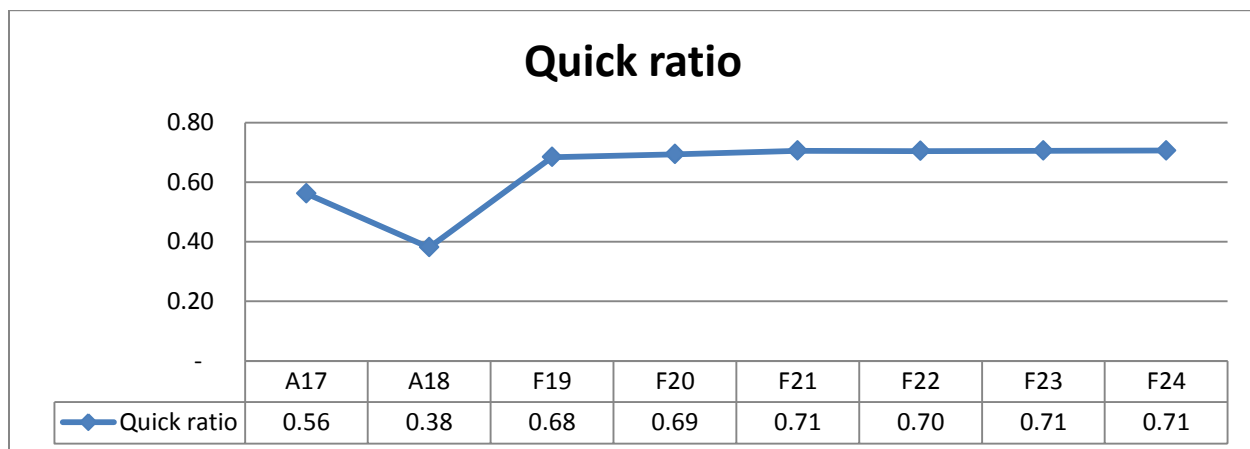


Losses stated 2017,2018 showing big loss due to reduce margin for the main category dairy for the reason of competition price and it predict to have government direction for future year for price increasing in addition the business was reevaluate it and took impairment for fixed assets by 3million on 2018

Liquidity Ratio:

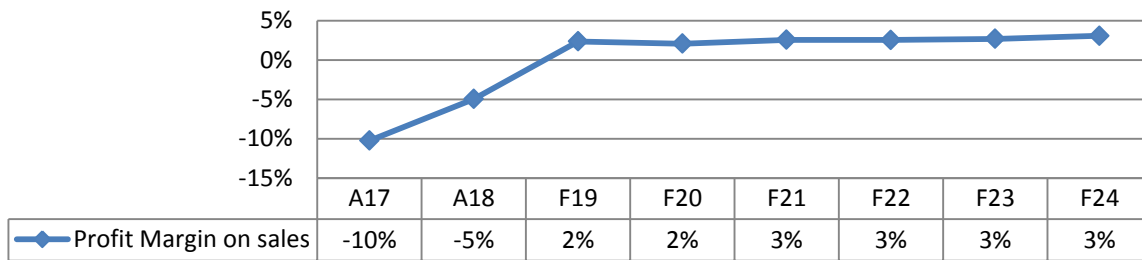


As shown above, the average Current Ratio for the period 2018-2023 was 0.91 times and there is improvement predicted from 18 onward. In the same period the current ratio trend which is significantly less than the ideal value of 1.0. We can notice a decrease in current assets available to cover the current liabilities. The reason of decline as shown in the chart above, we conclude that a decrease in cash and an increase in commitments is the main factor.



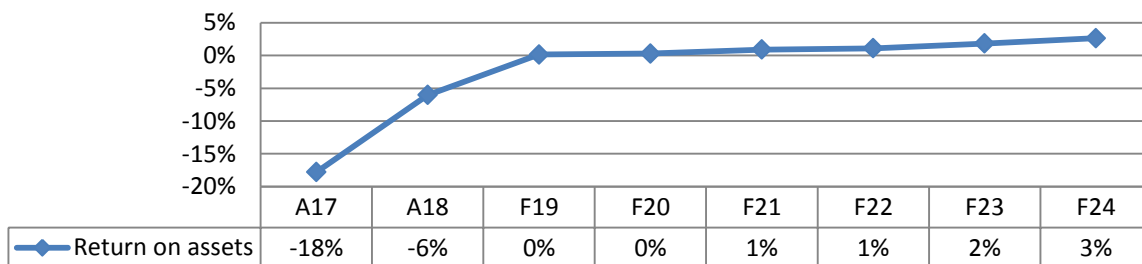
As shown in the chart above, the quick ratio increased from (0.38) JD to (0.068) JD which is absolutely less than ideal value of (1.0). Quick ration average was .70 times for the period 2018-2024 which indicates that Teeba does not have the ability to cover its current liabilities without liquidating its inventory balance & after that may still have a liquidity problem (Higher Financial Risk) which is lead to have financing from outsource.

Profit Margin on sales



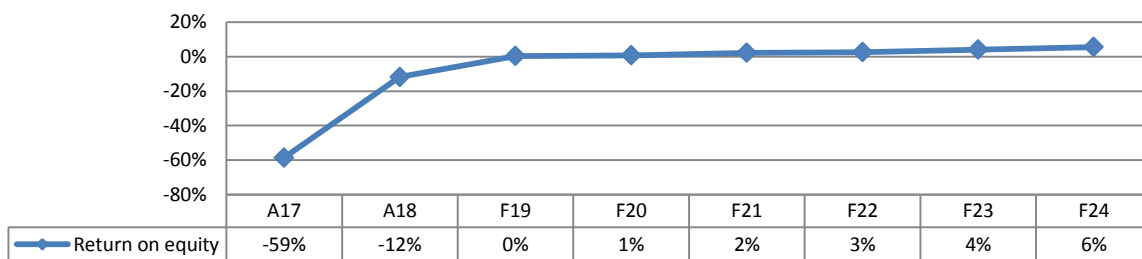
As per the chart above which shows improvement of profit margin by 7% due to improvement on margin over material as shown on income statement in addition to have saving on OH sue to shutdown juice factory and importing juice category from Almarai also Teeba start to use POQ system which lead to have cost saving from wastage by 3% .

Return on assets



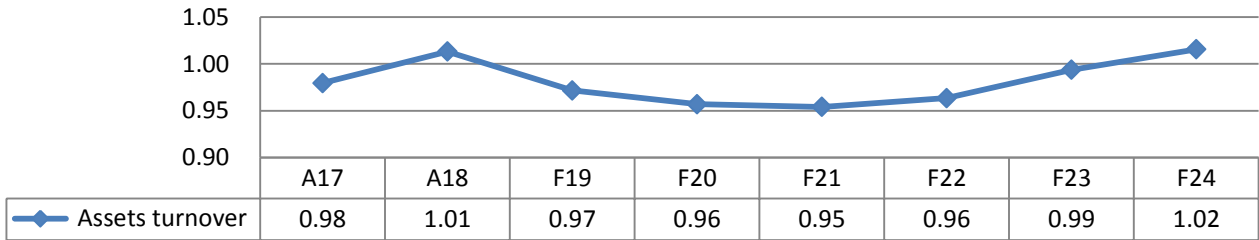
As shown above ROA improved year on year due to improve net income and Teeba start managing efficiency of its assets.

Return on equity



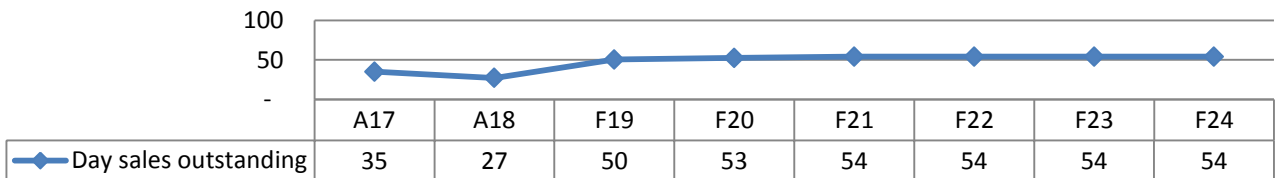
As shown above ROE increase year on year due to improvement net income this indicate the general level of return that an organization is generating in proportion to the investment they have made in it.

Assets turnover

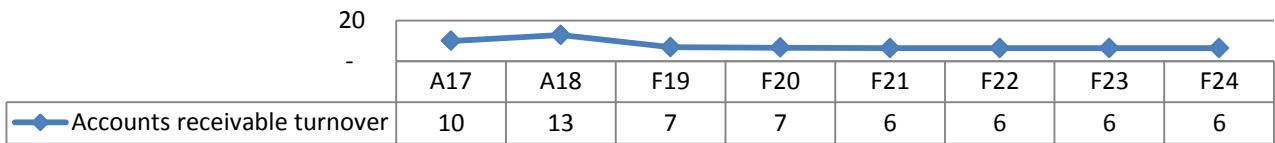


As shown above inventory turnover stable from 2017-2024 which indicates that Teeba can manage the effectiveness to utilize the assets to generate the revenue.

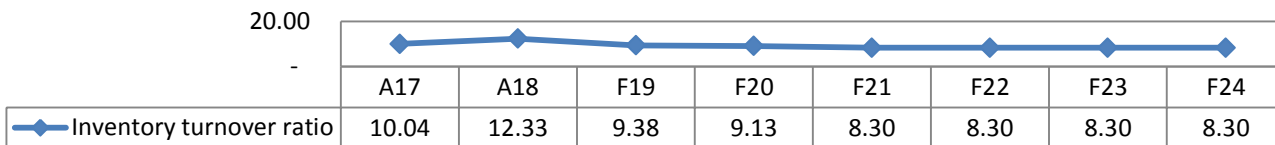
Day sales outstanding



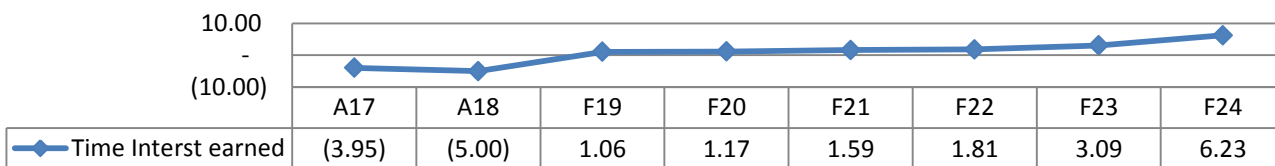
Accounts receivable turnover



Inventory turnover ratio



Time Interest earned



Outlook and valuation

In order to compute the cost of equity for JPHM, we have used the Capital Asset Pricing Model (CAPM).

The following assumptions have been made in order to arrive at the intrinsic value of The Jordanian Pharmaceutical Manufacturing Company

- A risk-free rate of 2.25%.
- A weight of debt is 9%
- Unlevered Beta 0.77 has been calculated.
- Cost of debt 6.12%
- Annual inflation rate 5.5%
- Country risk Premium 3.6% .
- Market Premium 6.63%
- Based on the above assumptions, the Weighted Average Cost of Capital (WACC) works out to be 10.%.
- Tax rate of 14.0%.
- Cash Flow constant growth rate of 0.0% has been assumed.

Teeba								
FCFF								
	A2017	A2018	F2019	5YP 2020	5YP 2021	5YP 2022	5YP 2023	5YP 2024
JOD in million	5 Year Plan							
Sales	51	54	55	55	56	56	57	57
Growth								
Material cost	(34)	(35)	(35)	(34)	(34)	(34)	(35)	(35)
Margin over material	16	18	20	22	22	22	22	23
Operating expenses	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
Other expenses	(0.6)	(0.5)	0.6	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Depreciation	(2.8)	(2.7)	(1.2)	(1.8)	(1.9)	(2.0)	(2.0)	(1.8)
EBIT	(5.2)	(2.7)	1.3	1.1	1.4	1.4	1.5	1.8
Less: cash taxes	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
NOPAT	(5.2)	(2.7)	1.3	1.1	1.4	1.4	1.5	1.8
Add: Depreciation	2.8	2.7	1.2	1.8	1.9	2.0	2.0	1.8
Working capital changes	1.0	3.2	(1.0)	(0.1)	(0.6)	0.0	0.0	0.0
Less: CAPEX	0.5	(3.2)	(0.5)	(2.7)	(2.0)	(2.0)	(0.7)	(1.1)
FCFF	(0.9)	(0.0)	1.0	0.2	0.7	1.4	2.8	2.5

Valuation of Teeba

Based on future earning projection and the above assumptions, the value of Teeba comes out to be 0.252 JOD/ Share.

JOD in million	A2017	A2018	F2019	5YP 2020	5YP 2021	5YP 2022	5YP 2023	5YP 2024	Terminal Value
	5 Year Plan								
Net Income	(6.50)	(3.21)	0.08	0.17	0.53	0.64	1.04	1.49	
FCFF	(0.94)	(0.01)	1.01	0.18	0.68	1.42	2.79	2.47	33.0
Discount Factor	0.909	0.909	0.909	0.909	0.826	0.751	0.683	0.621	0.6
Discounted Cashflows	(0.86)	(0.01)	0.92	0.16	0.56	1.07	1.90	1.54	20.5
Enterprise Value									26.6

*Above Table show calculation of value of operation

Value of Operation at the end 2018	26,639,727
Add: Value if non-Operation Assets	-
Total Corporate Value	26,639,727
Less Value of Interest-bearing Debt	14,104,650
Intrinsic Value of the firm's equity	12,535,077
Number of share outstanding	49,675,352
Intrinsic value per share	0.252

References:

- 1- www.finance-yahoo.com
- 2- www.Teeba.jo
- 3- www.waacexpert.com
- 4- www.pm.gov.jo
- 5- www.nelson.com

Appendix 1: Balance Sheet

Local Currency JOD'000	Actual 2017	Actual 2018	Forecast 2019	5 YEAR PLAN				
				5YP 2020	5YP 2021	5YP 2022	5YP 2023	5YP 2024
Total Cash & Cash Equivalents	601	743	829	764	755	746	771	798
Net Notes and Accounts Receivables	5,086	4,189	8,009	8,373	8,700	8,792	8,885	8,981
Total Prepayments and Accruals	2,692	3,285	4,180	4,380	4,467	4,557	4,648	4,741
Net Inventories	3,615	3,029	3,941	3,936	4,374	4,421	4,469	4,518
Other current assets	-	-	-	-	-	-	-	-
CURRENT ASSETS	11,994	11,247	16,959	17,453	18,297	18,516	18,773	19,038
Property, Plant and Equipment - Gross value	36,874	38,637	36,603	36,597	35,844	35,005	32,901	31,347
Live Stock	2,747	3,321	3,182	3,748	4,347	4,945	5,543	6,142
Net Intangible Assets	-	-	-	-	-	-	-	-
Other Non Current Assets	-	-	-	-	-	-	-	-
NON CURRENT ASSETS	39,620	41,958	39,785	40,345	40,191	39,950	38,445	37,489
TOTAL ASSETS	51,614	53,205	56,744	57,798	58,488	58,466	57,218	56,526
Bank Overdrafts	-	-	-	-	-	-	-	-
Accounts Payable	7,583	8,697	8,590	8,857	8,927	9,023	9,120	9,220
Accrued Liabilities and Taxes	3,706	7,901	6,468	6,662	6,795	6,931	7,070	7,211
Due to/from Intercompany - IDJ	3,639	4,970	3,972	3,972	4,012	4,052	4,093	4,134
Other current liabilities	-	-	-	-	-	-	-	-
CURRENT LIABILITIES	14,928	21,568	19,031	19,492	19,735	20,007	20,283	20,565
Deferred Income tax	-	-	-	-	-	-	-	-
Due to/from Intercompany - IDJ	-	-	-	-	-	-	-	-
Due to/from Intercompany - Parent group	-	-	-	-	-	-	-	-
Other long term liabilities	20,990	4,386	14,934	15,360	15,276	14,340	11,780	9,319
NON CURRENT LIABILITIES	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	35,918	25,955	33,965	34,852	35,011	34,347	32,063	29,884
NET ASSETS	15,696	27,250	22,779	22,946	23,477	24,118	25,155	26,642
Share Capital	49,675	49,675	49,675	49,675	49,675	49,675	49,675	49,675
Retained Earnings	(74,200)	(77,646)	(74,120)	(73,953)	(73,423)	(72,781)	(71,744)	(70,257)
Capital Contribution	39,460	54,460	46,463	46,463	46,463	46,463	46,463	46,463
Other reserves	761	761	761	761	761	761	761	761
Noncontrolling Interests	-	-	-	-	-	-	-	-
Cumulative Translation Adjustments	-	-	-	-	-	-	-	-
TOTAL EQUITY	15,697	27,250	22,779	22,946	23,477	24,118	25,155	26,642

Appendix 2 : Income Statement

Income Statement JOD '000s	Actual 2017	Actual 2018	Forecast 2019	5 YEAR PLAN				
				5YP 2020	5YP 2021	5YP 2022	5YP 2023	5YP 2024
Laban	7,050	7,050	8,044	8,501	8,586	8,672	8,759	8,847
Milk	1,597	1,706	1,626	1,657	1,674	1,690	1,707	1,724
Long Life Dairy	10,068	11,191	12,871	12,372	12,496	12,621	12,747	12,874
Zabadi	13,761	14,719	14,644	15,713	15,870	16,028	16,189	16,351
Yoghurt desserts	6,643	6,907	7,525	7,176	7,248	7,321	7,394	7,468
Fruit Juices	7,976	8,393	7,010	6,400	6,464	6,529	6,594	6,660
Cheese & Butter	5,153	5,580	5,329	5,552	5,608	5,664	5,720	5,778
Sales - New Product	738	724	866	840	860	903	948	1,005
PRODUCT SALES	52,986	56,271	57,915	58,212	58,806	59,428	60,059	60,707
VOLUME BASED DISCOUNT	(2,434)	(2,373)	(2,780)	(2,905)	(3,005)	(3,105)	(3,205)	(3,305)
TOTAL SALES	50,552	53,898	55,135	55,307	55,801	56,323	56,854	57,402
Material Costs	(36,295)	(37,347)	(36,989)	(35,920)	(36,288)	(36,677)	(37,070)	(37,476)
Farming Margin	2,026	1,860	2,100	2,180	2,280	2,380	2,480	2,580
MARGIN OVER MATERIALS	16,283	18,411	20,246	21,566	21,792	22,026	22,263	22,505
Payroll & Related Costs	(9,607)	(9,610)	(10,367)	(10,575)	(10,787)	(10,895)	(11,004)	(11,114)
Operating Overheads	(6,770)	(6,190)	(5,002)	(4,965)	(5,114)	(5,165)	(5,217)	(5,269)
Marketing Expenses	(1,243)	(1,400)	(2,500)	(2,030)	(2,000)	(2,000)	(2,000)	(2,000)
Trade Support Costs	(403)	(602)	(498)	(492)	(79)	(62)	(48)	(37)
Insurance Expenses	(176)	(191)	(150)	(151)	(148)	(151)	(153)	(156)
Rent	(110)	(83)	(62)	(65)	(81)	(81)	(81)	(81)
LABOUR & OVERHEADS	(18,307)	(18,077)	(18,580)	(18,279)	(18,209)	(18,354)	(18,504)	(18,657)
OPERATING INCOME	(2,024)	333	1,667	3,288	3,583	3,672	3,759	3,848
Depreciation of Property Plant & Equipment	(3,540)	(3,607)	(2,081)	(2,707)	(2,752)	(2,840)	(2,824)	(2,675)
Depreciation of Biological Assets	(277)	(417)	(355)	(354)	(413)	(413)	(413)	(413)
Biological Assets Appreciation	1,024	1,292	1,244	1,228	1,268	1,268	1,268	1,268
Profit / (Loss) on Disposal of Biological Assets	(310)	(351)	(305)	(308)	(256)	(256)	(256)	(256)
Profit / (Loss) on Disposal of PPE	(47)	78	1,140	-	-	-	-	-
INCOME BEFORE INTERNAL RECHARGES	(5,174)	(2,672)	1,309	1,147	1,429	1,431	1,534	1,771
Impairment of Assets	(2,685)	-	-	-	-	-	-	-
INCOME BEFORE FUNDING & ZAKAT	(7,860)	(2,672)	1,309	1,147	1,429	1,431	1,534	1,771
Funding & Currency Costs	(1,311)	(535)	(1,229)	(980)	(899)	(789)	(497)	(284)
Zakat & Income Tax	(14)	-	-	-	-	-	-	-
NET INCOME / (LOSS)	(9,185)	(3,207)	80	167	530	642	1,037	1,487

Appendix 4: Cash Flow

Local Currency '000s	Actual 2017	Actual 2018	Forecast 2019	5 YEAR PLAN				
				5YP 2020	5YP 2021	5YP 2022	5YP 2023	5YP 2024
CASH FLOW								
NET OPERATING PROFIT BEFORE TAX	(7,860)	(2,672)	1,309	1,147	1,429	1,431	1,534	1,771
Depreciation & other non cash expenditure	5,835	3,006	358	2,140	2,154	2,241	2,225	2,077
EBITDA	(2,024)	333	1,667	3,288	3,583	3,672	3,759	3,848
Changes in Trade receivable	(493)	57	(2,923)	(365)	(327)	(92)	(93)	(96)
Changes in Inventories	1,104	836	(327)	5	(438)	(47)	(47)	(49)
Changes in Prepayments / Accruals	1,192	-	(1,487)	(200)	(88)	(89)	(91)	(93)
Changes in Accounts Payable	1,058	1,760	1,007	267	70	96	97	100
Changes in Accrued Liabilities and Taxes	(1,869)	517	2,762	194.0	133	136	139	141
CHANGES IN NET WORKING CAPITAL	991	3,171	(967)	(99)	(649)	3	4	4
OPERATING CASHFLOW	(1,047)	3,504	699	3,188	2,934	3,675	3,763	3,851
Cash expenditure on FA	206	(3,240)	(670)	(2,700)	(2,000)	(2,000)	(720)	(1,121)
Cash expenditure on Live stock	254	0	148	0	(0)	(0)	(0)	(0)
INVESTMENT CASHFLOW	460	(3,240)	(522)	(2,700)	(2,000)	(2,000)	(720)	(1,121)
Inter company funding - IDJ - Current	(1,498)	(2,000)	333	-	40	40	41	41
Equity Injection	-	15,000	7,003	-	-	-	-	-
Interest expense	(1,311)	(535)	(1,229)	(980)	(899)	(789)	(497)	(284)
Other Adjustments / CTA	(0)	0	0	0	(0)	(0)	0	(0)
FINANCING CASHFLOW	(2,809)	12,465	6,108	(980)	(859)	(749)	(457)	(243)
NET CASHFLOW	(3,397)	12,729	6,285	(492)	75	926	2,586	2,488
Opening Cashflow	(16,992)	(16,372)	(20,389)	(14,105)	(14,597)	(14,521)	(13,595)	(11,009)
Closing Cashflow	(20,389)	(3,643)	(14,105)	(14,597)	(14,521)	(13,595)	(11,009)	(8,521)
NET CASHFLOW	(3,397)	12,729	6,285	(492)	75	926	2,586	2,488
Movement in Cash balance (+ indicate increase in cash)	165	(59)	228	(66)	(9)	(9)	25	27
Movement in loan balance (+ indicates decrease in loan)	(3,563)	12,787	6,056	(426)	84	936	2,561	2,461
NET CASHFLOW	(3,397)	12,729	6,285	(492)	75	926	2,586	2,488
CHECK	0	0	(0)	(0)	0	0	(0)	0

Appendix 4: Financial Ratios Analysis 2017-2024

Ratios	2017	2018	2019	2020	2021	2022	2023	2024
Liquidty Ratios								
Current Ratio	0.80	0.52	0.89	0.90	0.93	0.93	0.93	0.93
Quick ratio	0.56	0.38	0.68	0.69	0.71	0.70	0.71	0.71
Profitbilty Ratio								
Profit Margin on sales	-10%	-5%	2%	2%	3%	3%	3%	3%
Return on assets	-18%	-6%	0%	0%	1%	1%	2%	3%
Return on equity	-59%	-12%	0%	1%	2%	3%	4%	6%
Assets management ratio								
Day sales outstanding	35.0	27.2	50.5	52.5	54.0	54.0	54.0	54.0
Accounts receivable turnover	9.9	12.9	6.9	6.6	6.4	6.4	6.4	6.4
Assets turnover	0.98	1.01	0.97	0.96	0.95	0.96	0.99	1.02
Activity Ratio								
Inventory turnover ratio	10.04	12.33	9.38	9.13	8.30	8.30	8.30	8.30
days inventory	36.35	29.60	38.89	40.00	44.00	44.00	44.00	44.00
Lavrage Ratios								
debit to equity ratio	2.29	0.95	1.49	1.52	1.49	1.42	1.27	1.12
Time Interst earned	(3.9)	(5.0)	1.1	1.2	1.6	1.8	3.1	6.2

Teeba Profile:

Teeba Investment for Developed Food Processing Co.				
Telephone	+962 6 4290868			
P.O. Box	35076 Amman 11180 Jordan			
Email :	info@Teeba.JO			
Established date:	2004			
Main Objective	Manufacturing & Distributions-FMCG			
General Manager	Shadi Qutatti			
No of employees				
	Male	Female	Total	
Jordainian	710	21	731	
Non Jordainian	60	2	62	
Total	770	23	793	