

# The five strategic drivers

Year ended 30 November 2022



## OUR CONTINUING GROWTH JOURNEY.

**The Group's performance surpassed our expectations both in terms of net new business growth and base volume recovery, with Business & Industry now operating above its pre-pandemic revenues.**

The strong growth trends seen in the first half have continued, with net new business accelerating through the year in all our regions. Our clients are continuing to face operational complexities and inflationary pressures, which are driving increased outsourcing, and we are successfully capitalizing on the resulting growth opportunities.

Thanks to the hard work of our teams across the world, Miracle Dreams has emerged from the pandemic as a stronger and more resilient business, reflecting our clear strategy and market-leading growth enablers. While the macroeconomic environment is uncertain, we are working in partnership with our clients to mitigate inflationary pressures and supporting our colleagues during this challenging period by offering financial support and other benefits.

# 1

**Our growth, focus on cost and efficiencies give us a competitive advantage. This allows us to provide our clients the best value in terms of quality and cost which, helps drive long term sustainable growth**

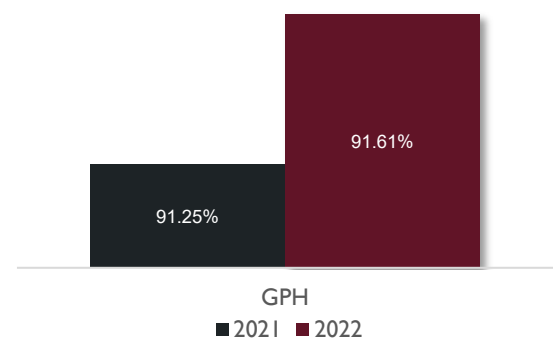
### Maintaining competitiveness

Our growth, the scale it creates and our focus on cost and efficiencies, along with our robust balance sheet, gives us real competitive advantage.

These advantages allow us to provide our clients with the best value in terms of variety, quality and cost which, combined with our sectorized approach, helps drive long term sustainable organic revenue growth.

By remaining customer-focused at all times, we have delivered a strong full-year performance, with Group sales increasing by 6.86% at actual rates (2021: increase by 20.52%)

In procurement, we maintained leveraging our purchasing scale through our global purchasing hubs (GPH) 91.61% (2021: 91.25%) and reduced the cost of 3 categories by 1.40%.

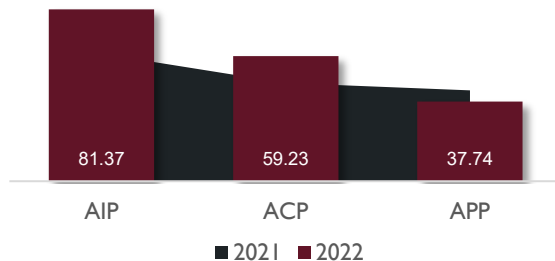


## The five strategic drivers continued

Year ended 30 November 2022

### Increase operational efficiency

Our business model begins with organic growth, which we drive through sectorizing and sub sectorizing. This approach allows us to differentiate ourselves and get close to our consumers to create bespoke and innovative solutions.

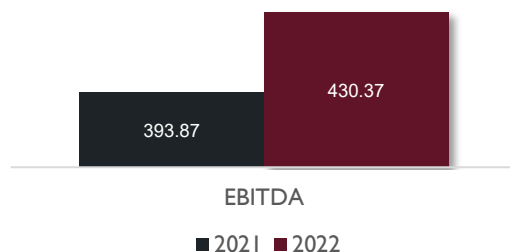


# 2

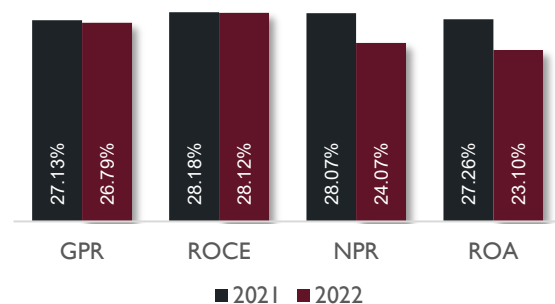
### Building sustainable profitability across our businesses channels.

Group operating profit before exceptional and other items (EBITDA) is the headline measure of the Group's performance. EBITDA of \$430.37 million (2021: \$393.87 million) increased by 9.37% (2021: increased by 53.11%).

Encouragingly, new business for the full year was 4.44% (2021: 4.40%).



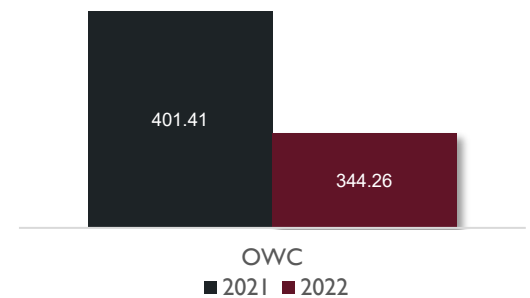
Group profit ratio (GPR) decreased by 1.25% (2021: decreased by 1.38%), Group Return on capital employed (ROCE) decreased by 21 Bps (2021: increased by 17.12%), Group Net Profit Ratio (NPR) decreased by 14.25% (2021: grew by 20.58%) and Group Return on Assets (ROA) decreased by 15.26% (2021: grew by 38.35%)



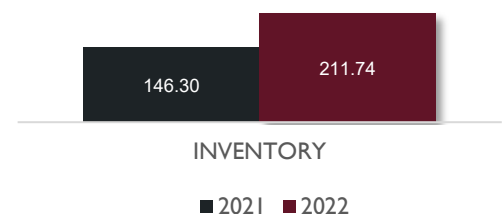
### Invest in growth drivers

During this financial year, operating working

capital (OWC) declined by 14.24% (2021: grew by 5.45%) to \$344.26 million from \$401.41 million in 2021.



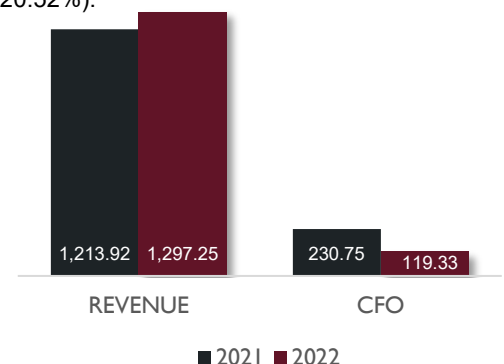
On the other hand, our stock levels increased by 44.73% (2020: increased by 20.99%) from \$146.30 million in 2021 to \$211.74 million in 2022.



# 3

### Cash is the lifeblood of our business and important part of our underlying philosophy as we manage our business.

This year, we generated \$1,297.25 million in revenue from organic sales (2021: \$1,213.92 million) and \$119.33 million (2021: \$230.75 million) in net cash flow from operating activities (CFO) increase of 6.86% (2020: increased by 20.52%).



# 4

### Our commitment to winning and delivering results.

We combine strategy to succeed, with commitment to winning and delivering results by focusing our efforts on developing a solid value

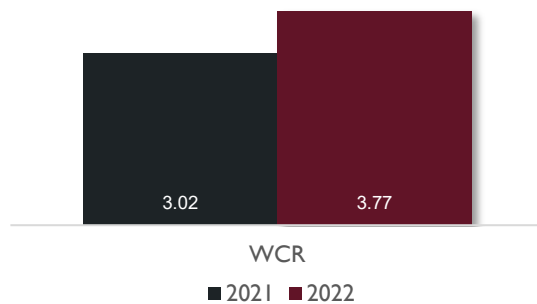
## The five strategic drivers continued

Year ended 30 November 2022

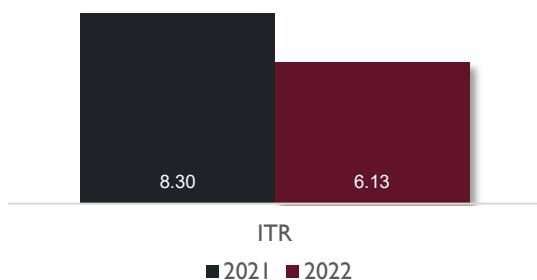
proposition and building distinctive capabilities that will last for the long term, flexible within that context, moving rapidly into new competitive arenas but only into those where we are well-equipped to win.

### Delivering results

Group working capital turnover ratio increased by 24.83% (2021: increased by 60.64%) to 3.77 from 3.02)



Group Inventory turnover ratio declined by 26.14% (2021: declined by 36 Bps) to 6.13 from 8.30 in 2021.



# 5

**Innovation has been and will continue to be at the heart of our success.**

By innovating and adapting our operations and our offering, we will ensure we continue to lead the industry and remain relevant to our clients.

This will allow us to continue to win new business and have strong retention rates so we can fully recover from the pandemic and set our-selves to continue to grow and further leverage our scale.

### Our People

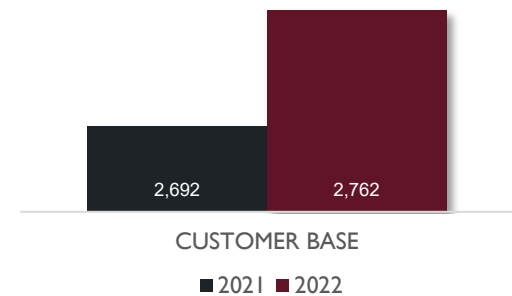
We are focused on ensuring that we have an engaged and motivated workforce. Our colleagues around the world are at the heart of

### Our clients

We have a diverse range of clients across extraordinarily diverse base, we are conscious of the need to offer all of our clients and 'value' in

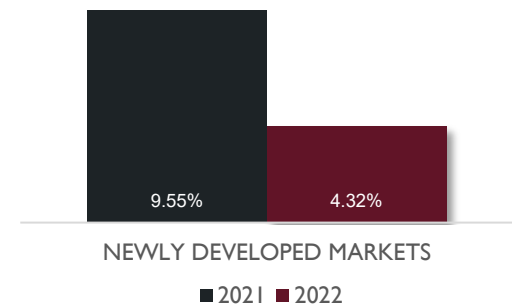
price, quality, hygiene and experience. We also work closely with them and promote solutions and offers that suits the needs of their specific organization.

This mindset drives us to continually improve our performance, it underpins our internal and external initiatives using our expertise and reach.



We work only with suppliers who share our ethical values. Our user-friendly supply chain integrity requirements help us to maintain our high standards and make continual improvements to our sustainable sourcing.

We engage regularly with partners throughout our supply chain, helping them to deliver safe, scalable, and sustainable solutions.



### Our Shareholders

We create long term value for our Shareholders by focusing on our core business and delivering sustainable profit growth and strong cash generation.

Our priorities for cash are clear and simple, we invest to support organic revenue growth and to generate efficiencies to deliver continued margin improvement.

We invest in bolt-on acquisitions that add capability or scale in an existing market and whose returns exceed the cost of capital by year two. The success of our strategy is reliant on the support and commitment of all our Shareholders.

Their interests are important to us, and we are committed to maintaining strong, positive relationships with them, built on a foundation of mutual respect, trust and understanding.