

Savola Group

Earnings Presentation | Q3 2020

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KEY HIGHLIGHTS FOR Q3 2020

SARmn (unless otherwise stated)

Margin

Net Debt to Liquid Investments

Revenue*

Q3 2020

4,587

Q3 2019

5,148

(10.9%)

Gross Profit

Q3 2020

1,064

23.2%

Q3 2019

1,084

21.1%

(1.8%)

EBITDA

Q3 2020

725

15.8%

Q3 2019

724

14.1%

0.2%

Income from associates

Q3 2020

225

Q3 2019

215

4.3%

Net Income

Q3 2020

284

6.2%

Q3 2019

222

4.3%

28.0%

Net Debt**

Sep-20

6,144

30.8%

Sep-19

7,182

38.1%

(14.4%)

*Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q3 2020 financial statements

**Net debt excludes lease liabilities; liquid investments refers to the market value of Savola Group's investment in Almarai and Herfy.

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



*Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q3 2020 financial statements.

Note: numbers are rounded

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

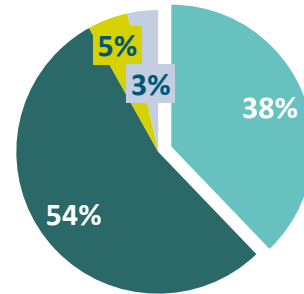
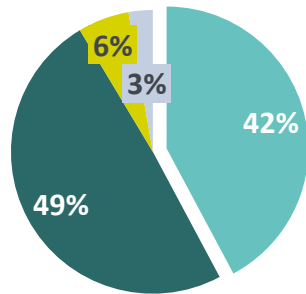
GROUP – REVENUE MIX, NET DEBT & CAPEX

SAR in millions

Revenue by Business*

YTD-19

YTD-20

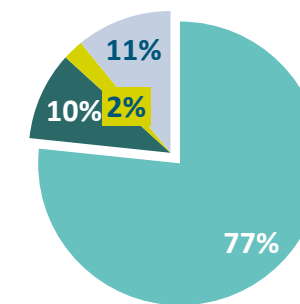
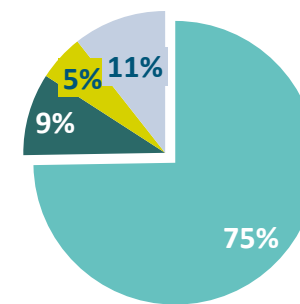


Food Processing Retail Food Services Frozen Food

Revenue by Geography

YTD-19

YTD-20



KSA Egypt Central Asia Others

Net Debt and Net Debt to Liquid Investments (%)**

Sep-19

Sep-20

7,182

6,144

38%

31%

Net Debt to Liquid Investments (%)

Net Debt

-14%

+32%

CAPEX

YTD-19

YTD-20

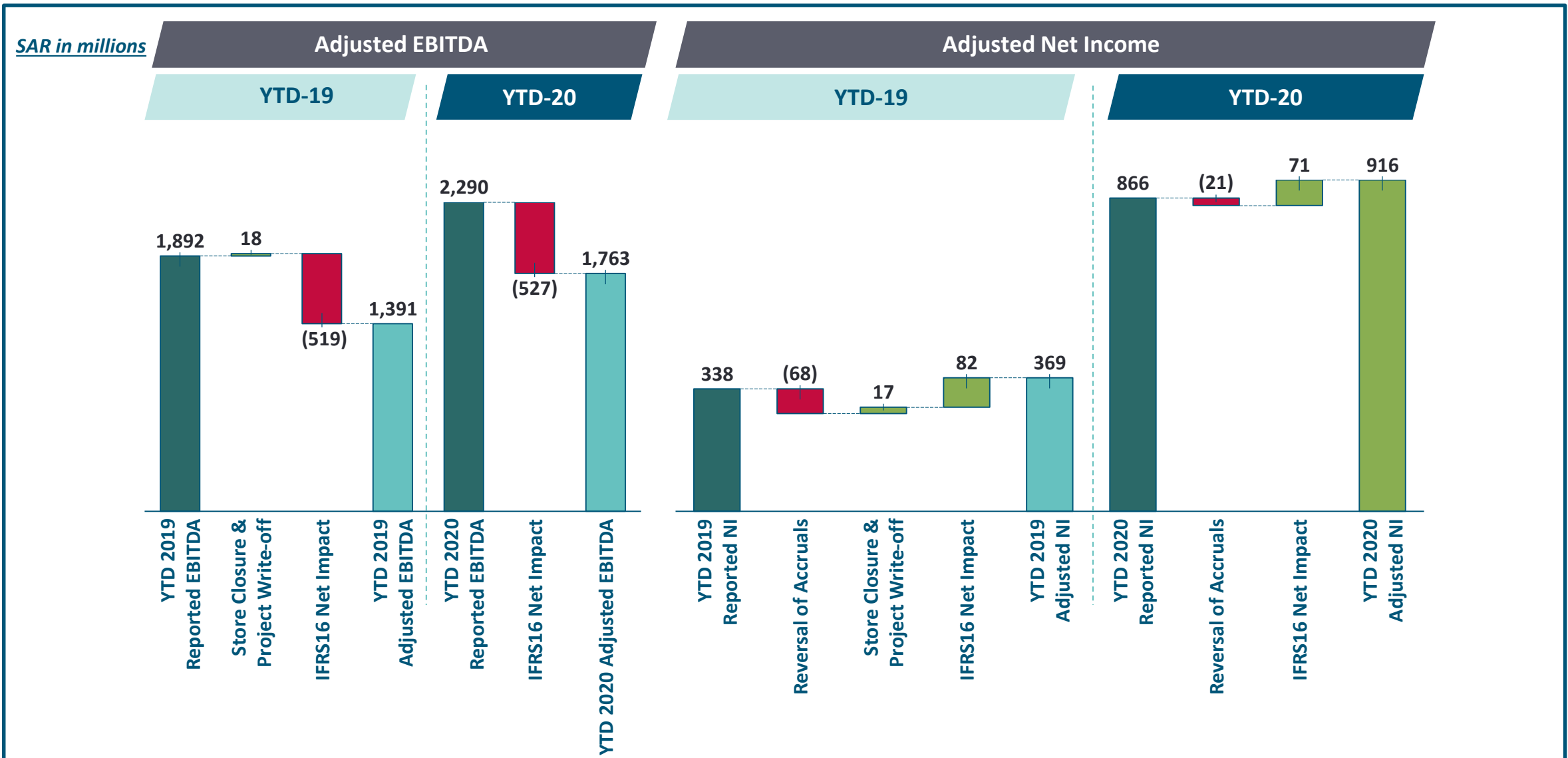
218

288

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IMPLICATIONS OF EXCEPTIONAL ITEMS



Panda Retail Company



RETAIL - HIGHLIGHTS

Key Highlights

- In Q3 2020, our business witnessed a relatively flat top-line with a marginal decrease of 1% as consumers have stocked-up prior to the VAT increase in certain categories

Store Count

- Store count decreased to 205 stores by end of Q3, as we have converted one supermarket in Saudi Arabia into a fulfillment center supporting the growth of our online channel

Revenues

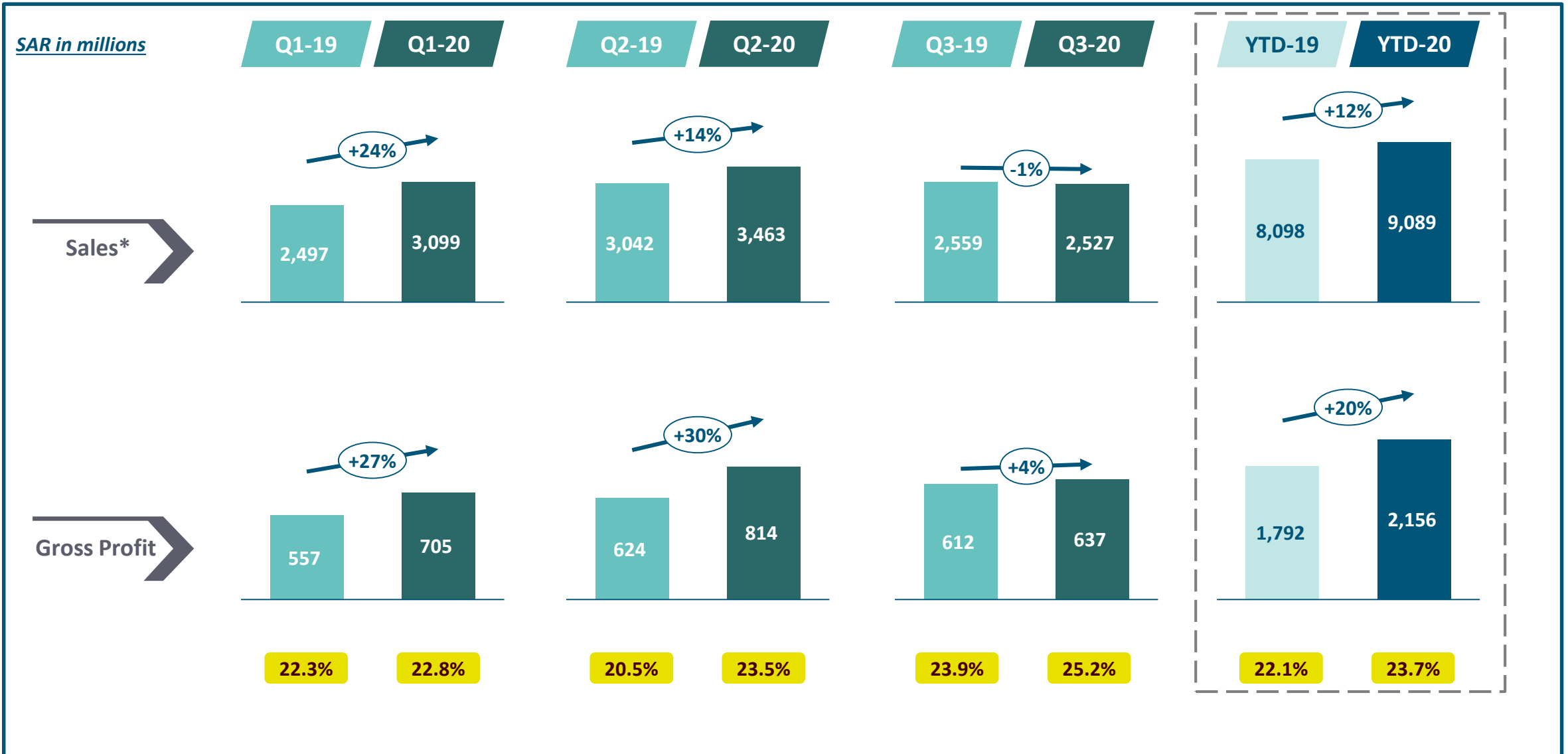
- Revenues of SAR 9.1 bn in YTD September 2020, showing YoY growth of 12%
- The growth is mainly driven by higher like-for-like grocery demand during the first half of the year due to the shift in consumer behavior for dine-in and pantry loading

Profitability

- YTD September 2020, reported EBITDA of SAR 844 mn, compared to SAR 432 mn last year
- Net income reached to SAR 173 mn in YTD September 2020 driven by topline growth and improvement in gross margins, compared to losses of SAR 331 mn last year

RETAIL – FINANCIAL HIGHLIGHTS

Margin

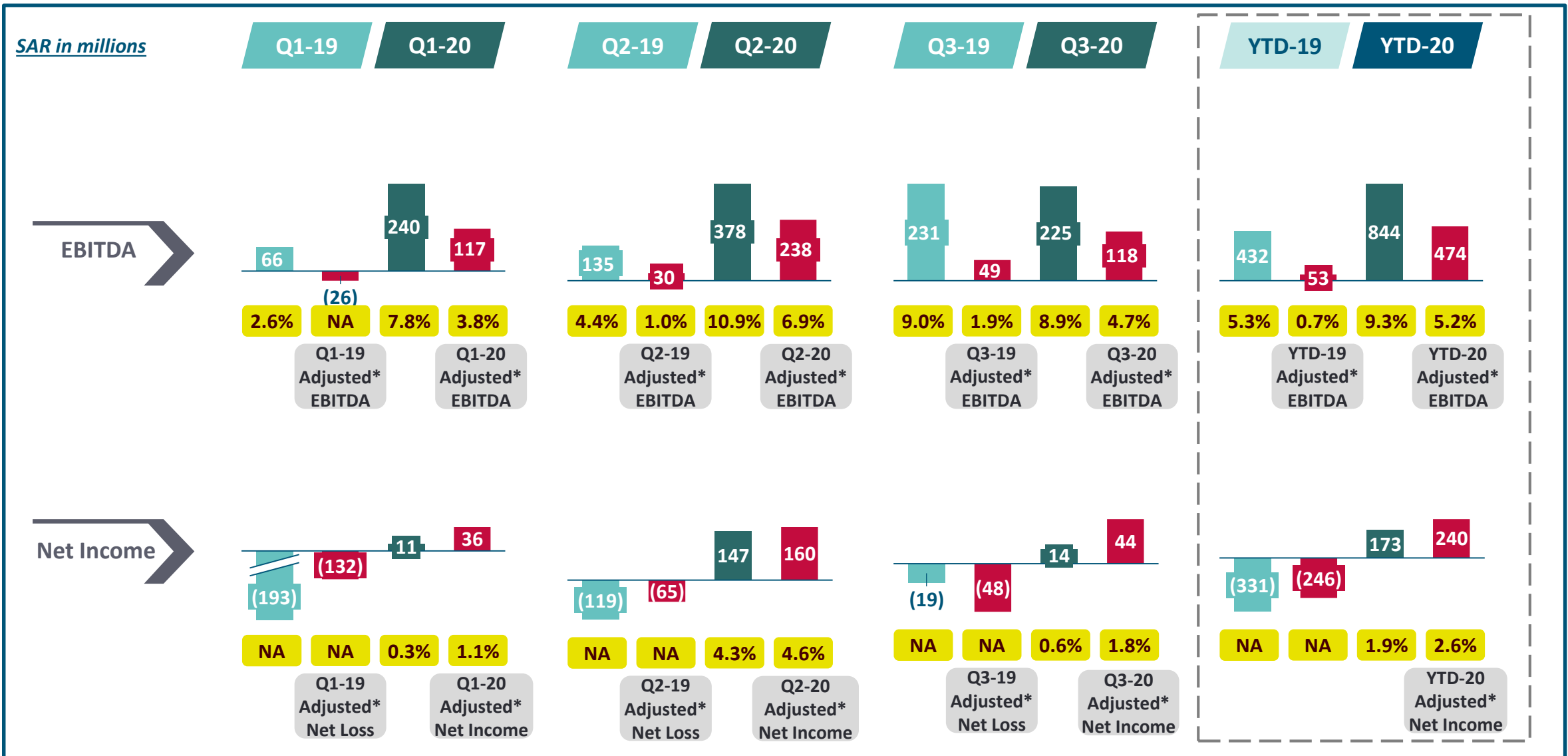


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Note: numbers are rounded

RETAIL – FINANCIAL HIGHLIGHTS

■ Adjusted metric
 ■ Margin



*Adjusted numbers include adjustments for IFRS16, reversal of accruals, store closure and projects write-off

Note: numbers are rounded

RETAIL – NUMBER OF STORES



*a supermarket in Saudi Arabia was converted to a fulfilment center for the online channel

Savola Foods Company

Key Highlights

- Despite a challenging macroeconomic, currency and commodity environment impacting top-line across most segments, profitability remained resilient

Volume

- Volumes slightly decreased by 3% to 2,405 KMT in YTD September 2020, driven primarily by a 7% decline in sugar volumes mainly due to Egypt
- Edibles oil volumes remained relatively flat at 1,160 KMT in YTD September 2020

Revenues

- Revenues declined by 8% vs. last year reaching SAR 6.4 bn in YTD September 2020
 - Edibles oil revenues decreased by 10% vs. last year, largely due to Central Asia
 - Sugar revenues declined by about 10%, mainly due to lower volumes and prices
 - Pasta revenue increased by 6%, in YTD September 2020 compared to last year

Profitability

- EBITDA improved to SAR 620 mn in YTD September 2020 vs. SAR 589 mn last year
- Net Income increased to SAR 256 mn in YTD September 2020, compared to SAR 253 mn last year (which included one-offs of about SAR 68 mn)

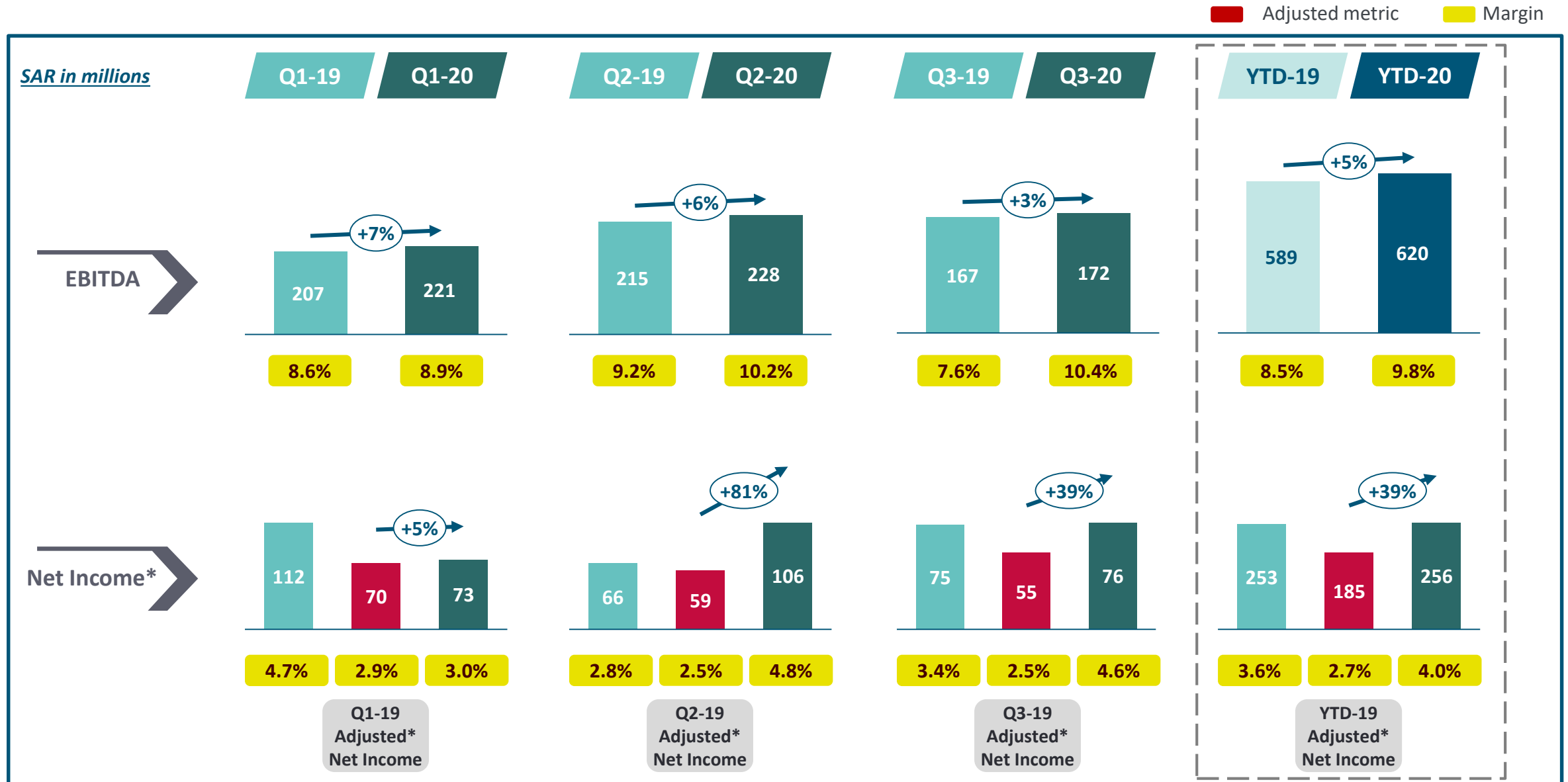
FOODS – FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

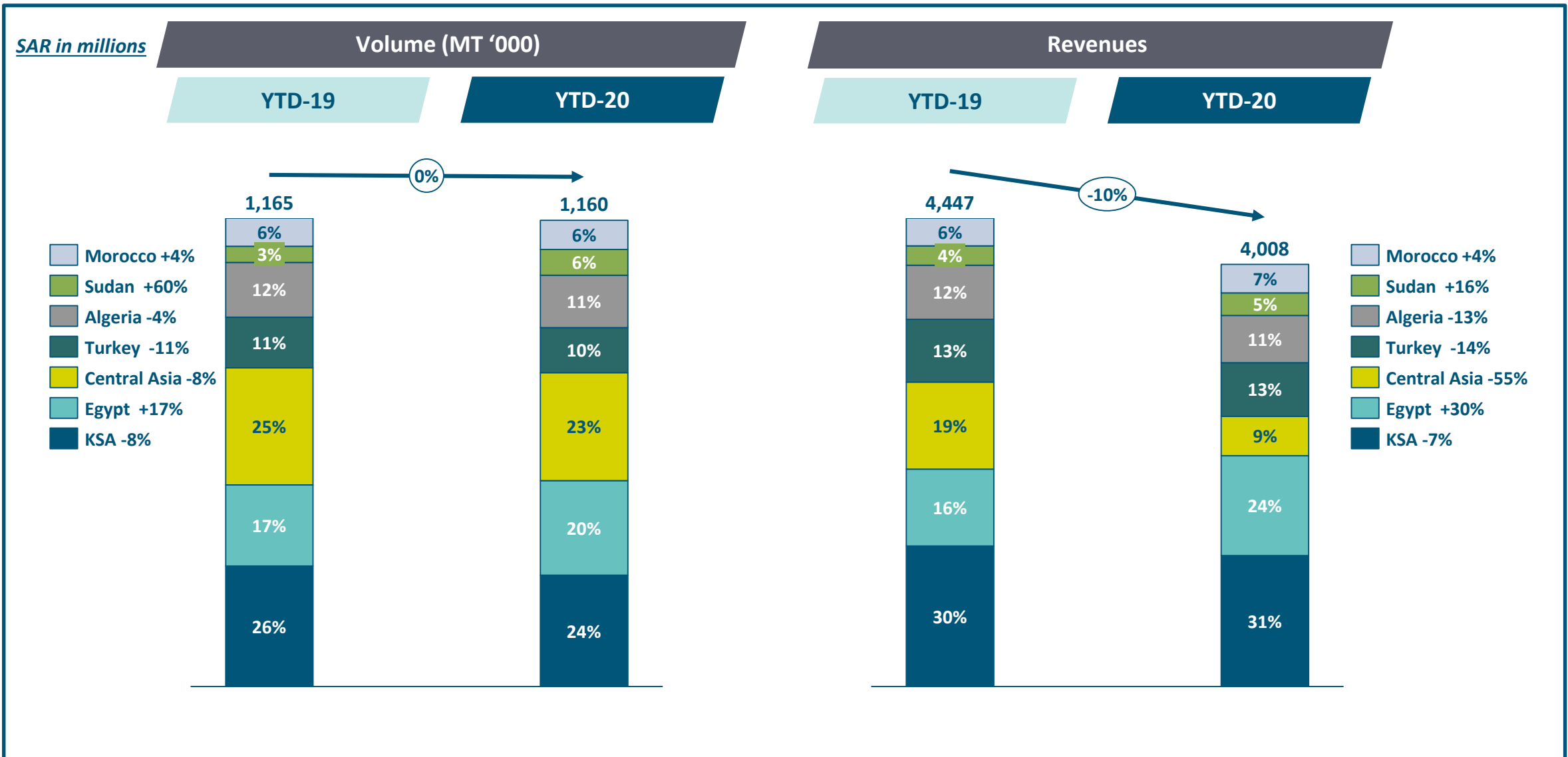
FOODS – FINANCIAL HIGHLIGHTS



*In YTD September 2019, Savola Foods recorded non-operational income of about SAR 68 million due to reversal of accruals

Note: numbers are rounded

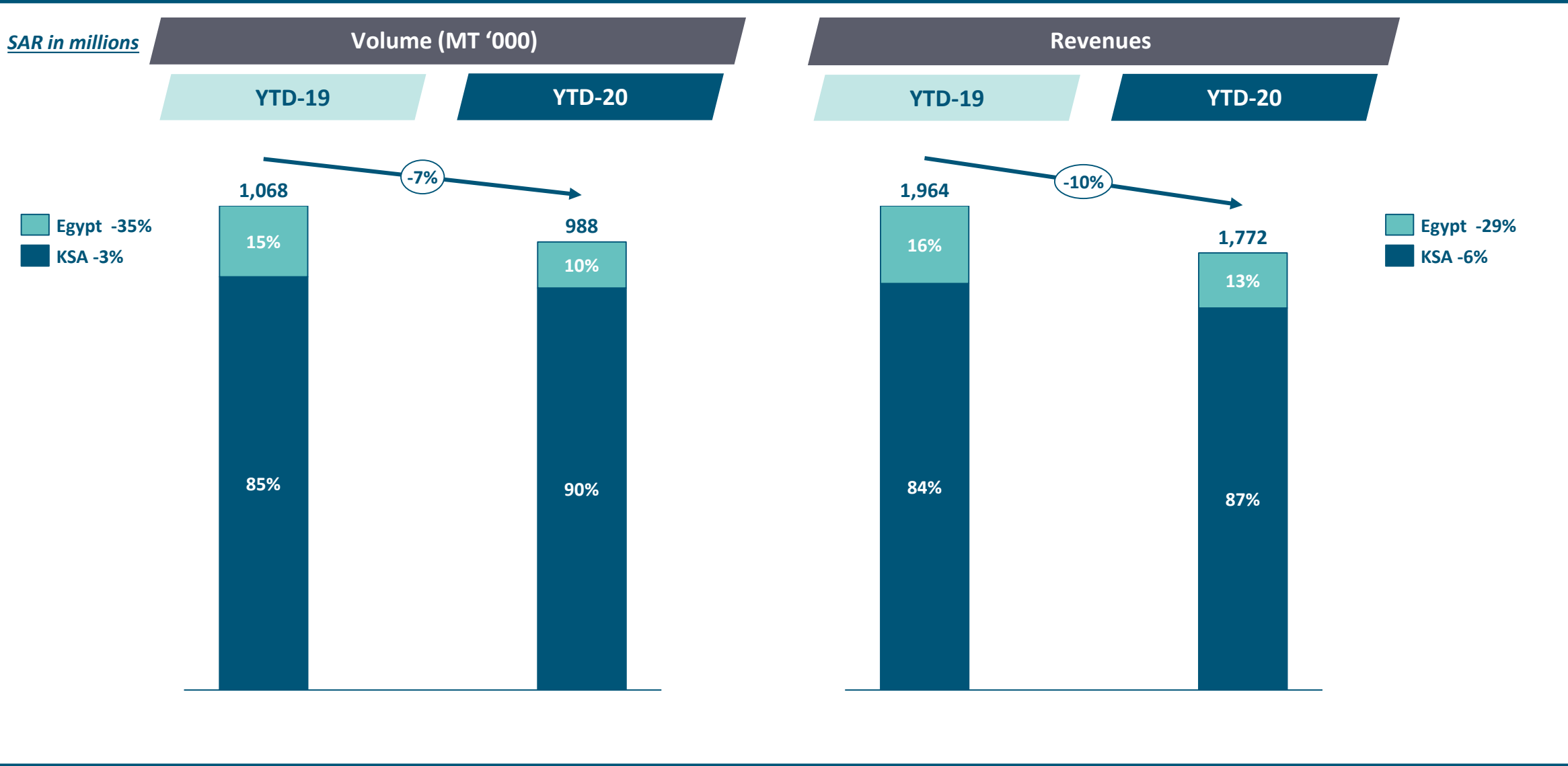
FOODS – OIL SEGMENT ANALYSIS



Note: The above includes net distribution volume and excludes specialty fat business that used to be combined with the edible oil category and is now part of the emerging categories shown in slide 24

Note: numbers are rounded

FOODS – SUGAR SEGMENT ANALYSIS



Note: Sugar volumes and revenues include only the contribution from our consolidated sugar operations (USC and ASC), and include the net volume and revenue from our KSA sugar distribution operations

Note: numbers are rounded

Al Kabeer Group of Companies



FROZEN FOOD - HIGHLIGHTS



Key Highlights

- Demand for frozen food continued to show a healthy trend during Q3 2020, with topline increasing by 27%, as consumers still showed preference for in-house dining and general preference for longer life products

Revenues

- Revenues increased by 29% reaching SAR 584 mn in YTD September 2020 compared to SAR 453 mn last year, largely driven by strong growth in Saudi Arabia supported by ramping-up local production and new product offerings

Profitability

- YTD September 2020 EBITDA increased by 62% compared to last year, reaching SAR 108 mn from SAR 67 mn last year
- YTD September 2020 net income registered at SAR 83 mn, representing growth of about 64% compared to last year, where net income reached SAR 50 mn last year

FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

Margin



Note: Revenues from the frozen food segment were reclassified for the prior period last year, YTD Sep 2019, with regards to the presentation of inter-group elimination

Note: numbers are rounded

FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

Margin

SAR in millions



Note: numbers are rounded

Financial Summary



FINANCIALS – YTD September 2020

(all figures are in SAR millions)

Segment Wise Financials										
YTD September 2020						YTD September 2019				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food*										
Oil-Mature Markets	3,075	594	285	171	352	3,486	613	214	125	279
Oil-Start-up Markets**	933	103	48	20	58	961	105	55	34	65
Total Oil	4,008	697	333	192	410	4,447	717	269	159	344
Sugar	1,772	224	115	72	178	1,964	296	165	123	226
Pasta	423	73	21	11	33	398	49	14	0	26
Emerging Categories***	154	8	(14)	(19)	(1)	134	4	(20)	(29)	(7)
Total Foods	6,358	1,002	454	256	620	6,943	1,066	428	253	589
Retail										
KSA	9,003	2,138	332	182	838	8,024	1,779	(133)	(326)	430
Egypt	86	17	(7)	(9)	5	73	14	(9)	(6)	2
Total Retail	9,089	2,156	326	173	844	8,098	1,792	(141)	(331)	432
Herfy	778	182	60	30	190	962	293	180	146	302
Frozen Food	584	228	93	83	108	453	161	55	50	67
Real Estate	-	-	(7)	(7)	(7)	-	-	13	13	13
Al Marai-Savola Share	-	-	569	569	569	-	-	518	518	518
HQ/Elimination/Impairments	(291)	(1)	(62)	(236)	(33)	(281)	-	(56)	(311)	(29)
Total	16,517	3,566	1,432	866	2,290	16,175	3,313	997	338	1,892
Adjustments										
Store Closure and Project Write-off				-					17	
Reversals of Accrual				(21)					(68)	
Net Impact of IFRS16				71					82	
Adjusted Profit				916					369	

* All the numbers are rounded for the purpose of presentation and have been represented under different categories

** Start-up markets include Algeria, Morocco and Sudan

*** Includes specialty fats, seafood, croissant...etc.

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Investor Relations Application



Views Savola Group share price, charts and performance on the go



Savola Group Annual & Quarterly figures



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Annual/Quarterly Reports accessible offline



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Thank you