



Earnings Presentation

Q2 2017



DISCLAIMER

This presentation contains forward-looking statements which may be identified by the use of words like “plans,” “expects,” “will,” “anticipates,” “believes,” “intends,” “projects,” “estimates” or other words of similar meaning. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, market position, expenditures, and financial results, are forward looking statements.

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The Q2 2017 numbers are based on interim unaudited financials.

GROUP – HIGHLIGHTS

- In Q2 2017, the Group reported a net profit of SAR 229.3 million; with adjusted net profit of SAR 201.1 million after deducting the capital gain from lease rights of SAR 62.0 million and adding back share of impairment loss of SAR 33.8 million from an associate.
- Savola's retail segment recorded a net loss of SAR 160 million for the quarter. The turnaround is ongoing; the business has maintained the negative working capital position and cash flow from operations is positive.
- Within the food segment, revenues continue to be stable and the segment recorded a net profit of SAR 192 million for the quarter. Operationally, Egypt continues to be challenging due to the economic conditions
- Herfy recorded a net income of SAR 43 million for the quarter, a decline of 12.3% compared to the same quarter last year.
- Almarai continues to perform well with a record Q2 profit of SAR 674 million, translating into SAR 246.2 million net income contribution to the Group.

Q2 2017 - SNAPSHOT

GROUP

- » Q2 2017 revenue of SAR 6.7 bn (Q2 2016: SAR 7.1 bn)
- » Q2 2017 net income SAR 229.3 mn (Q2 2016: SAR 253.5 mn)
- » Adjusted net income of SAR 201.1 mn after gain of sale of lease rights and share of impairment loss from an associate

RETAIL

- » Q2 2017 revenue of SAR 3.4 bn (Q2 2016: SAR 3.9 bn)
- » Q2 2017 net loss of SAR 160.2 mn (Q2 2016: Net loss of SAR 93.8 mn)

FOODS

- » Q2 2017 revenue of SAR 3.15 bn (Q2 2016: 3.1 bn)
- » Q2 2017 net income of SAR 192.3 mn (Q2 2016: SAR 143.6 mn)

HERFY

- » Q2 2017 revenue of SAR 272.1 mn (Q2 2016: SAR 277.7 mn)
- » Q2 2017 net income of SAR 43.4 mn (Q2 2016: SAR 49.5 mn)

INVESTMENTS

- » Almarai recorded highest quarterly net income on record of SAR 674.1 mn

GROUP – CONSOLIDATED FINANCIAL SNAPSHOT

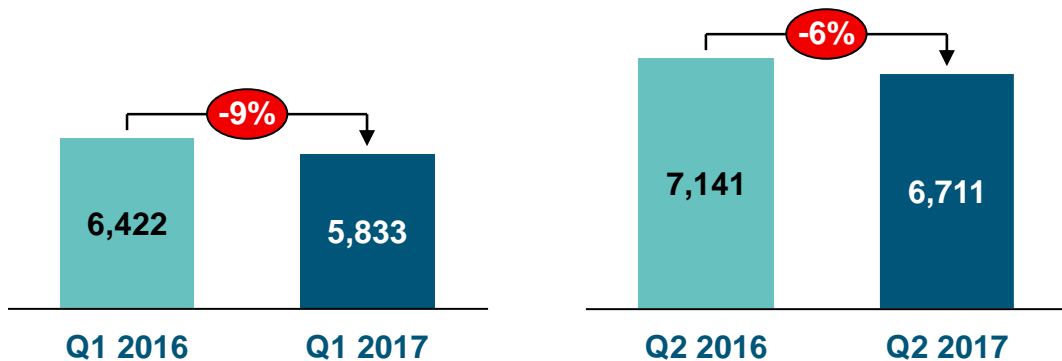
SAR Mn	Revenue	Gross Profit	EBIT	Net Income	Adjusted Net Income
Q2 2017	6,711 -6.0% vs. LY	1,140 -14.5% vs. LY	293 -36.2% vs. LY	229 -9.5% vs. LY	201 Q2 2016: 319
YTD 2017	12,544 -7.5% vs. LY	2,180 -16.3% vs. LY	431 -45.9% vs. LY	234 -37.2% vs. LY	181 YTD 2016: 580

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

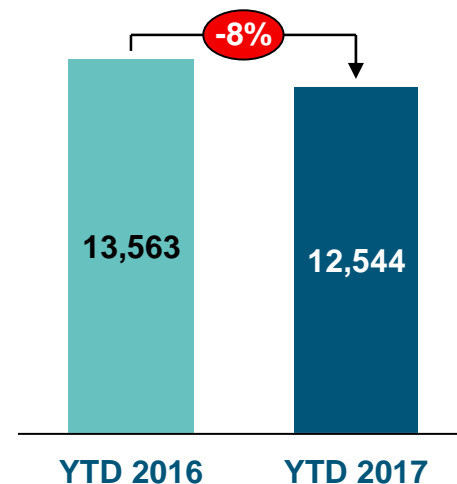
SAR Mn

● Growth ● Margin

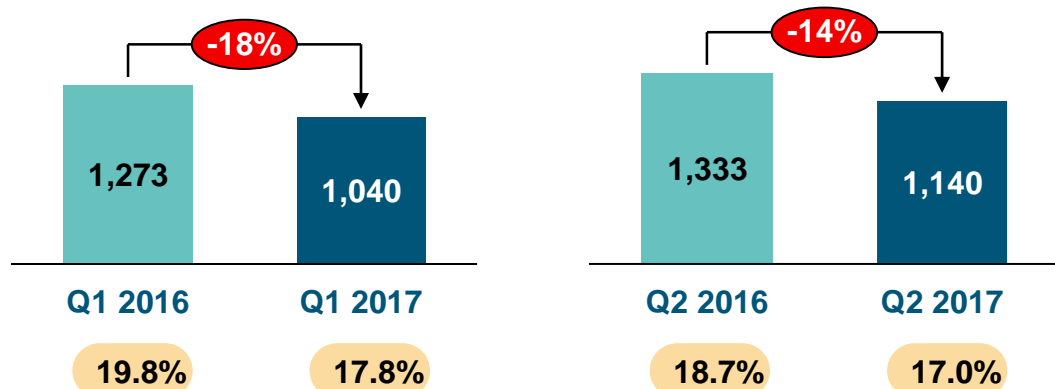
YoY Sales



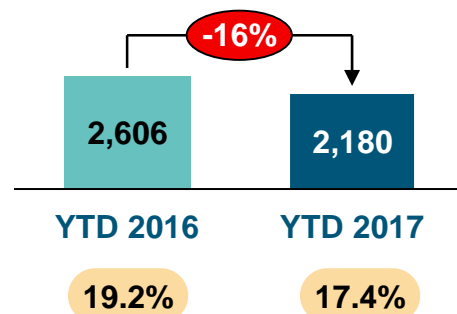
YTD Sales



YoY Gross Profit



YTD Gross Profit



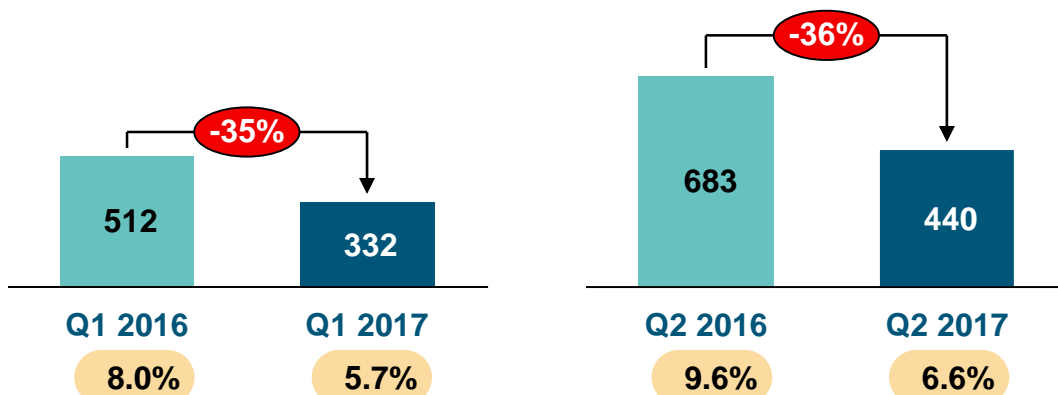
Note: the figures presented in the charts are rounded

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

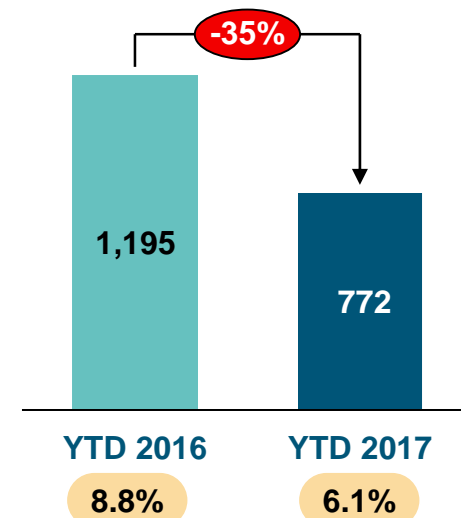
SAR Mn

● Growth ● Margin

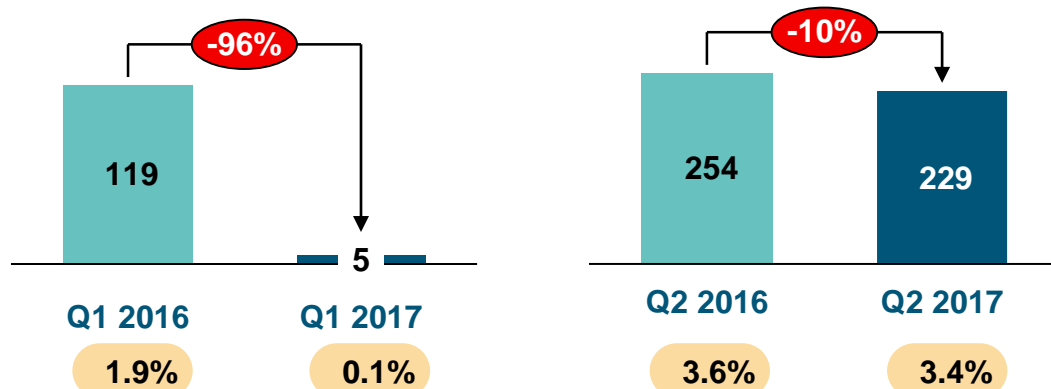
YoY EBITDA



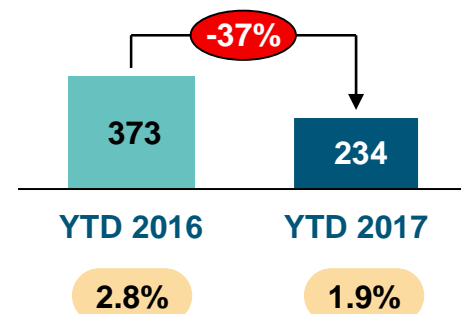
YTD EBITDA



YoY Net Profit



YTD Net Profit

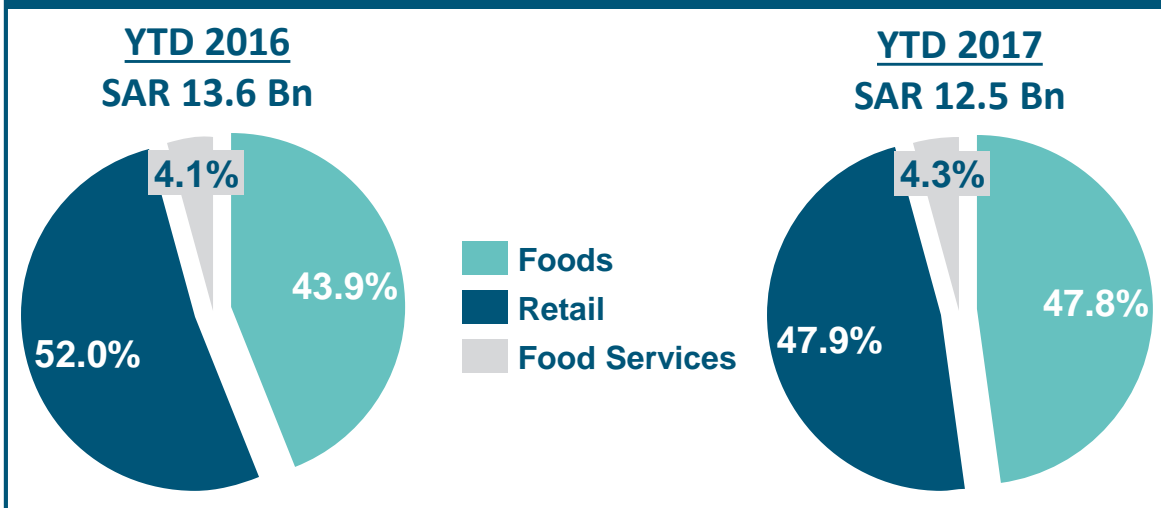


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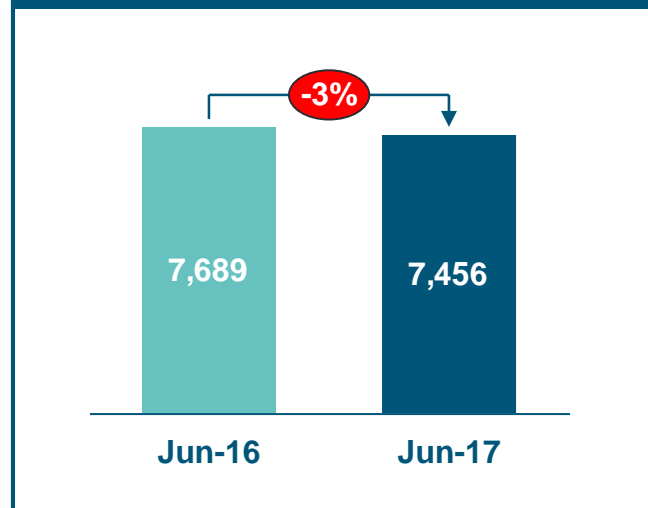
GROUP – CONSOLIDATED REVENUE MIX, NET DEBT & CAPEX

SAR Bn

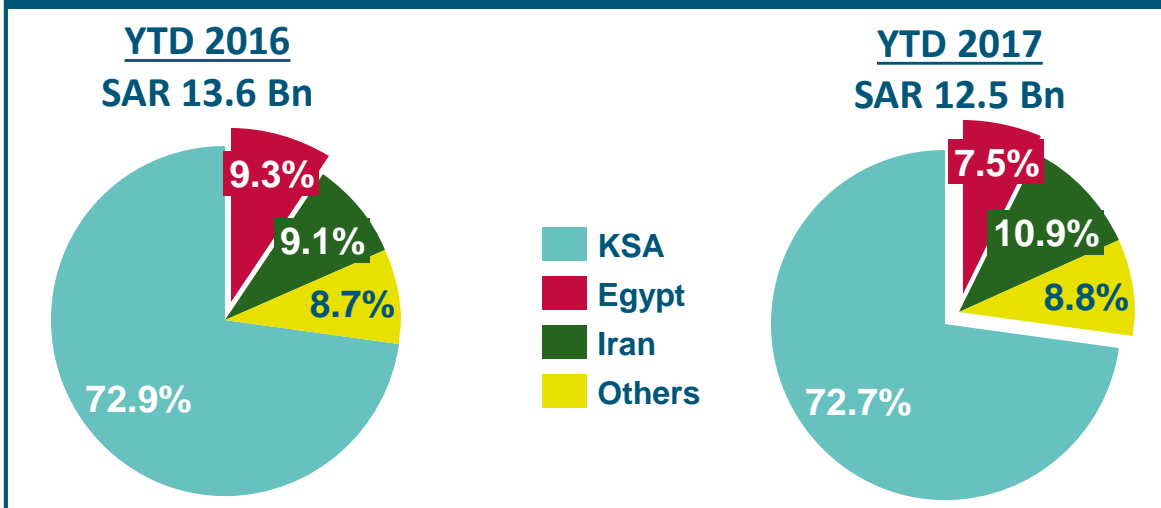
Revenue by Business



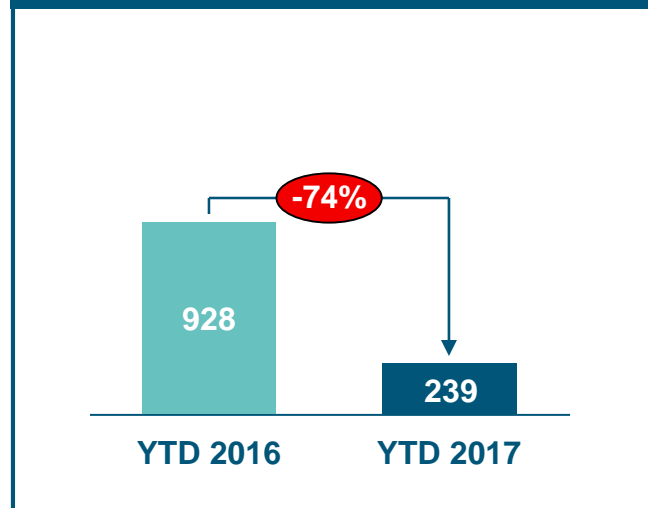
Net Debt



Revenue by Geography



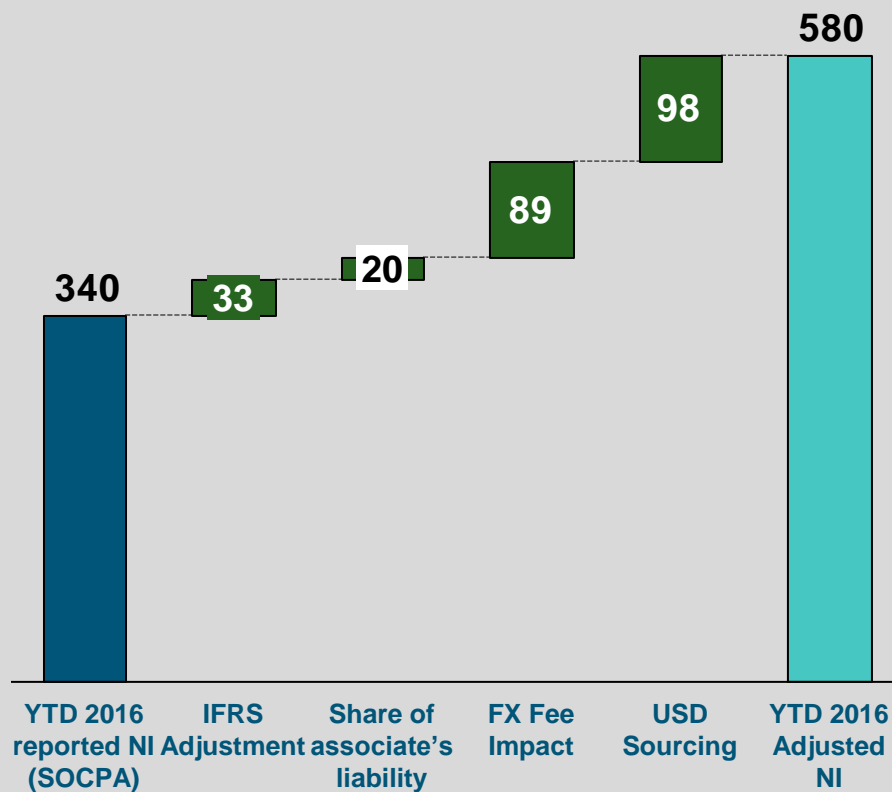
CAPEX



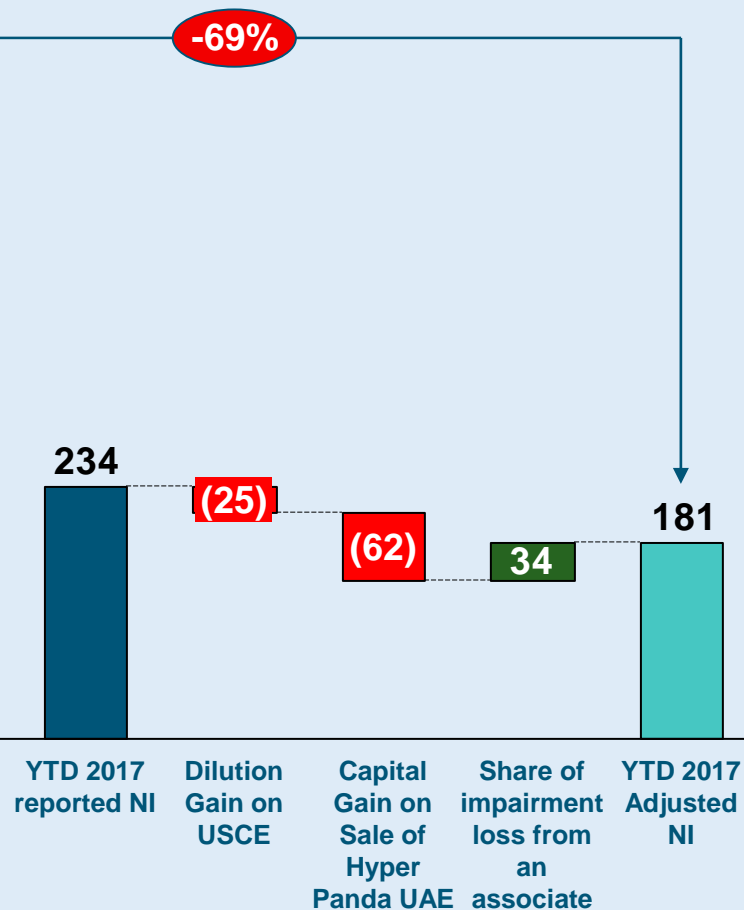
IMPLICATIONS OF EXCEPTIONAL ITEMS

SAR Mn

Adjusted YTD 2016 Net Income



Adjusted YTD 2017 Net Income





PANDA RETAIL COMPANY

سافولا
SAVOLA

RETAIL - SNAPSHOT

	Revenue	Gross Profit	Net Loss	Adjusted Net Loss	Selling Space
<i>SAR m</i>					
Q2 2017	3,389 -12.5% vs. LY	586 -20.3% vs. LY	(160) Q2 2016 : (94)	(228) Q2 2016 : (94)	Added 6,310 m² 0.8% vs. FY 2016
YTD 2017	6,110 -14.5% vs. LY	1,115 -24.5% vs. LY	(390) YTD 2016: (125)	(458) YTD 2016: (125)	Total Space 759,094 m²

RETAIL – HIGHLIGHTS

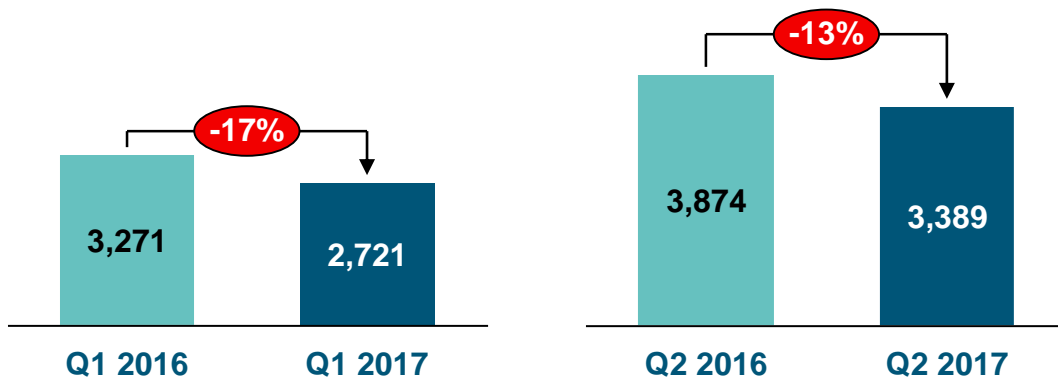
- The transformation exercise initiated last year is ongoing with several initiatives running concurrently.
- Q2 witnessed the sale of Hyper in UAE and the opening of a new Hyper in Egypt. One Pandati store opened and another closed in Q2 2017. Total retail selling space increased by 0.8% in Q2 2017 from Dec 2016
- LFL sales dropped owing mainly to a reduction in basket size across both hypermarket and supermarket formats. This is mainly attributable to a consumer preference to buy promotional items.
- Reported net loss for Q2 2017 for Retail was SAR 160 million, with an adjusted loss of SAR 228 million

RETAIL – FINANCIAL HIGHLIGHTS

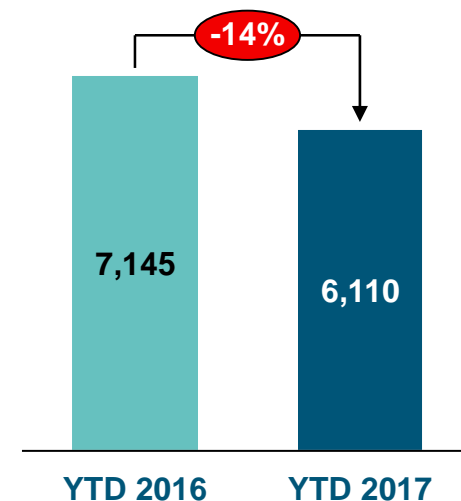
SAR Mn

● Growth ● Margin

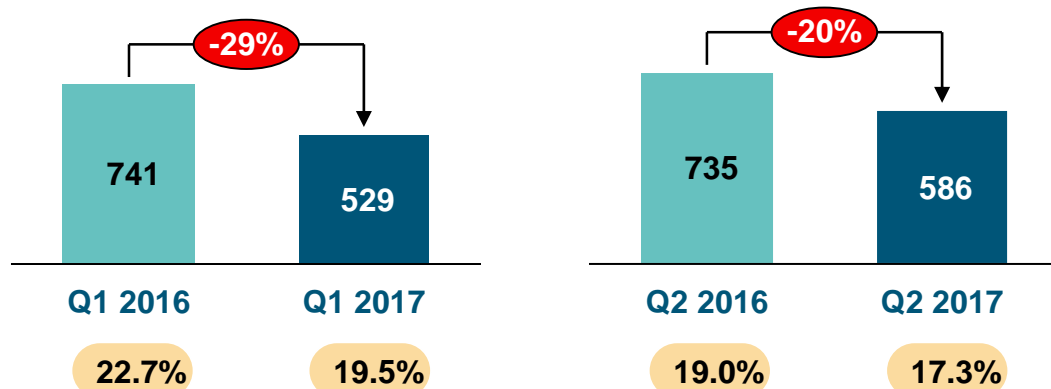
YoY Sales



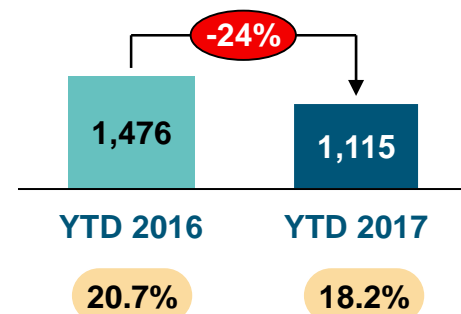
YTD Sales



YoY Gross Profit



YTD Gross Profit



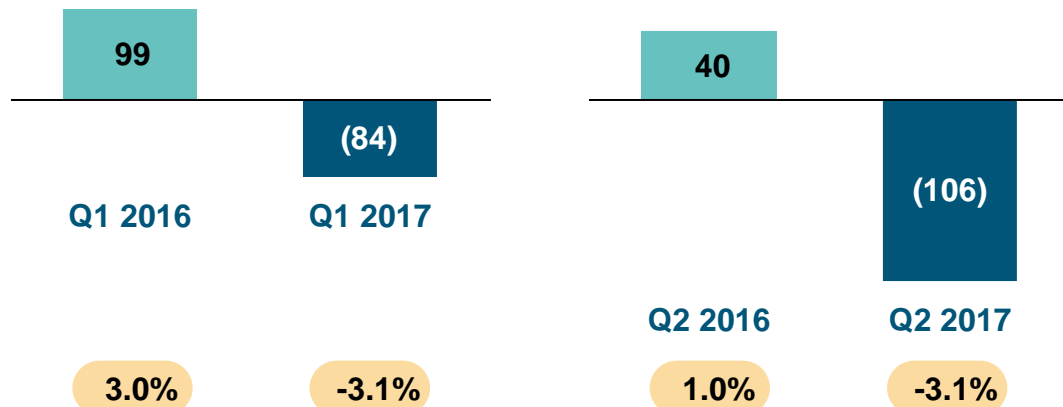
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RETAIL – FINANCIAL HIGHLIGHTS

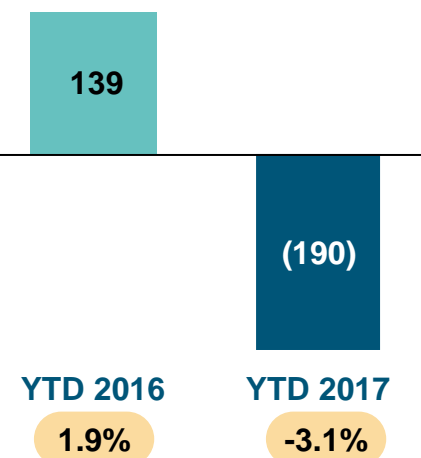
SAR Mn

Margin

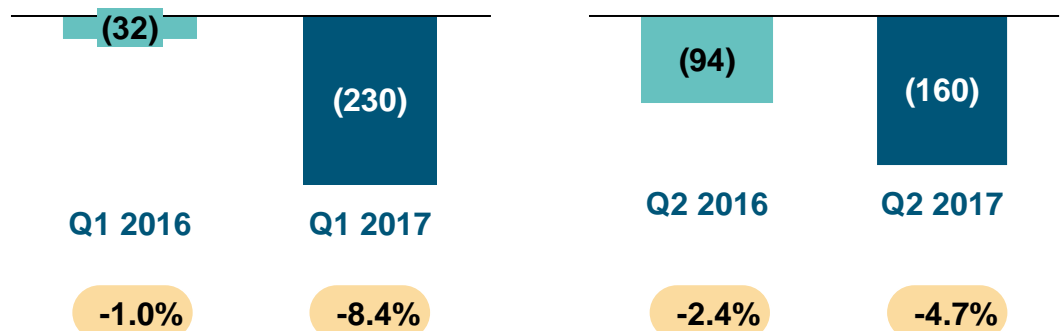
YoY EBITDA



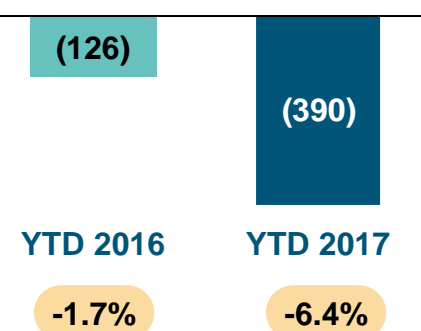
YTD EBITDA



YoY Net Profit



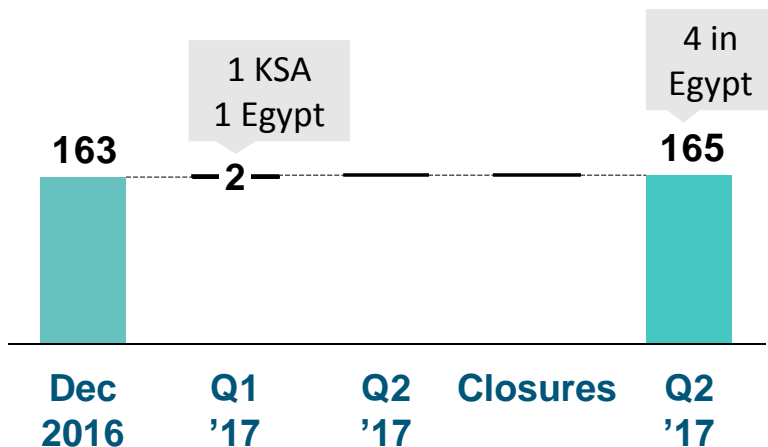
YTD Net Profit



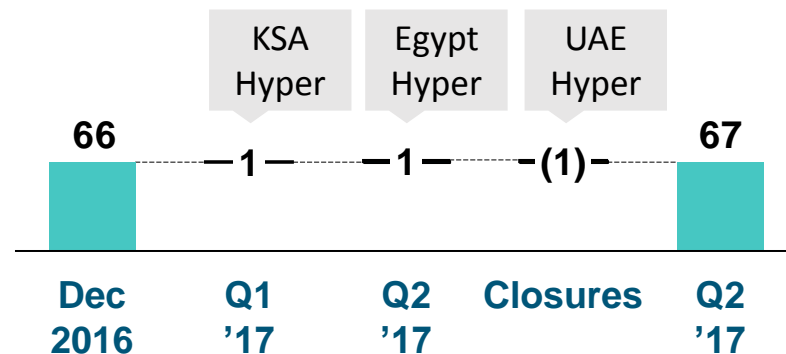
Note: the figures presented in the charts are rounded

RETAIL – NUMBER OF STORES BY QUARTER

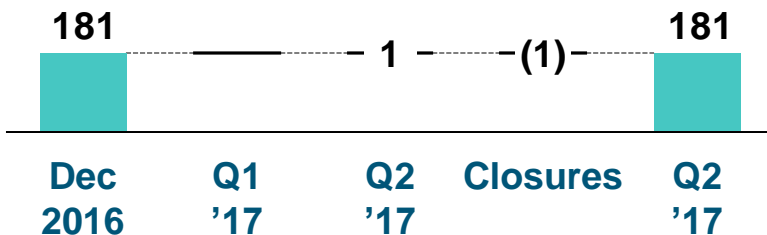
Super



Hyper



Pandati

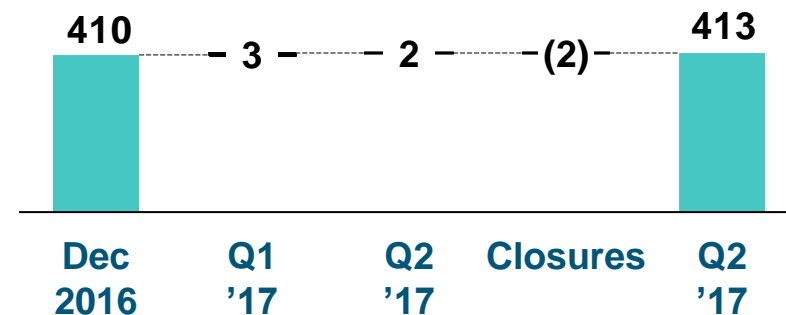


Total

Selling Area
752,784 m²

Selling Area
759,094 m²

(YTD Growth: 0.8%)





SAVOLA FOODS

FOODS – HIGHLIGHTS

- Q2 2017 total revenue of SAR 3.15 billion is 1.4% above Q2 2016 revenue of SAR 3.10 billion while YTD June 2017 revenue was 6.1 billion vs. YTD June 2016 revenue of 6.0 billion (+1.2%)
- Total volume of 1,771 k MT 1.9% below June YTD 2016 mainly due to:
 - overall volume decline in Egypt attributable to seasonal effect and focus on premium oil segment
 - Marginally lower sugar volumes in KSA due to maintenance down time
- Pasta YTD June 2017 volume is 140 k MT, a decrease of 9.1% compared the same period last year. Revenue is SAR 200 million representing a decrease of 33.8%.
- Reported net income for Q2 2017 for Food was SAR 192.3 million

FOODS - SNAPSHOT

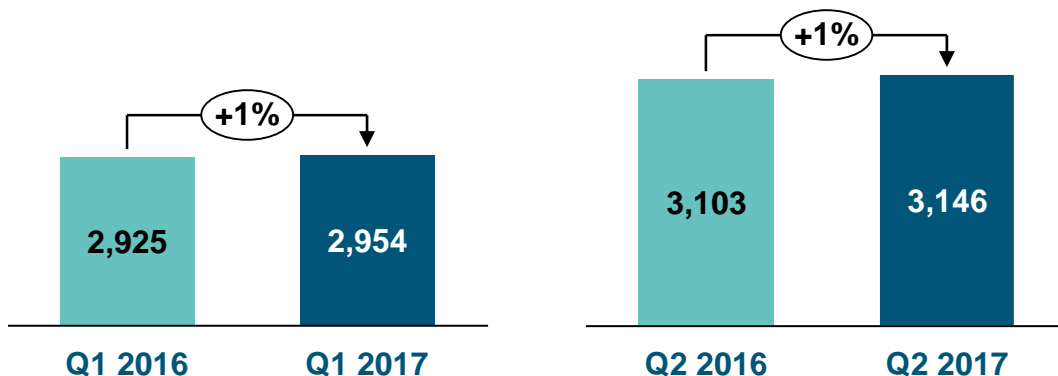
SAR m	Revenue	Gross Profit	EBIT	Net Income	Adjusted Net Income
Q2 2017	3,146 +1.4% vs. LY	481 -8.0% vs. LY	266 -3.1% vs. LY	192 +33.9% vs. LY	192 -36.8% vs. LY
YTD 2017	6,100 +1.2% vs. LY	906 -6.5% vs. LY	454 -9.2% vs. LY	303 +21.5% vs. LY	278 -32.2% vs. LY

FOODS – FINANCIAL HIGHLIGHTS

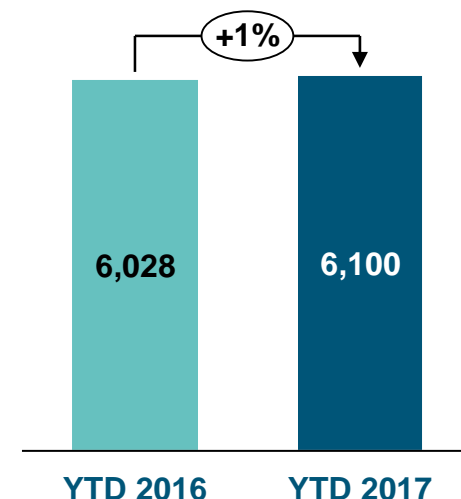
SAR Mn

● Growth ● Margin

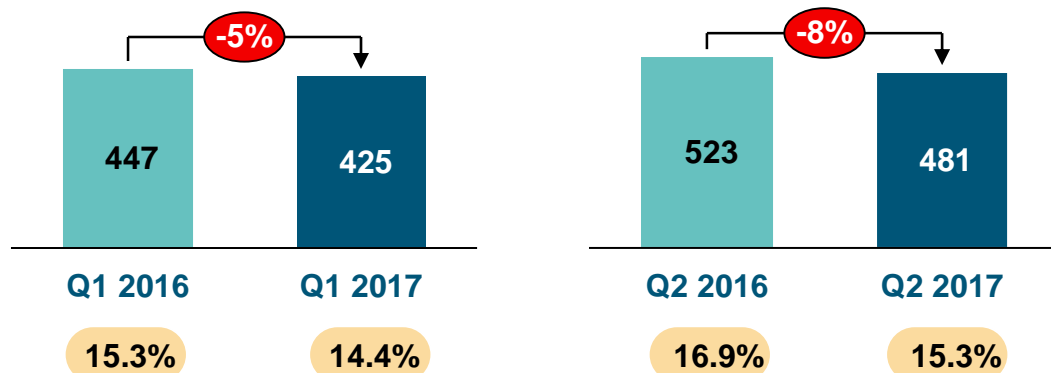
YoY Sales



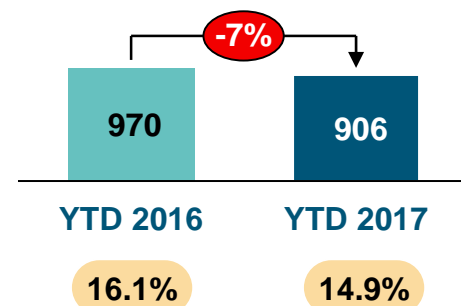
YTD Sales



YoY Gross Profit



YTD Gross Profit



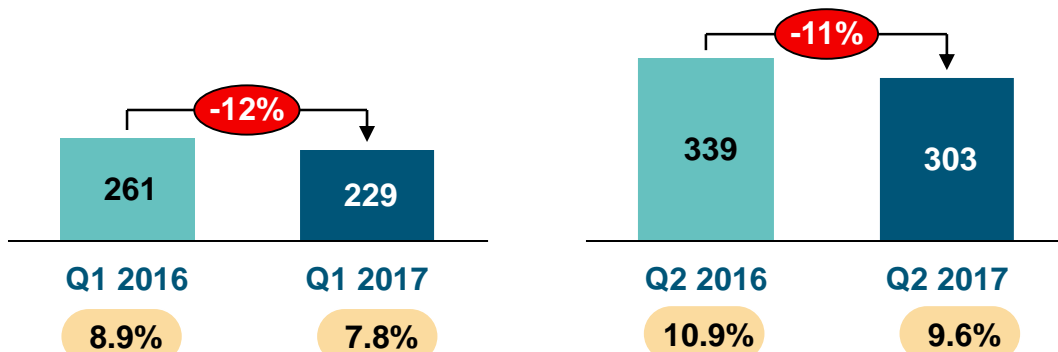
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FOODS – FINANCIAL HIGHLIGHTS

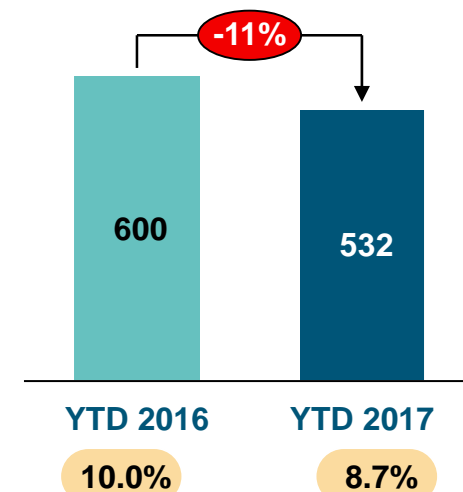
SAR Mn

● Growth ● Margin

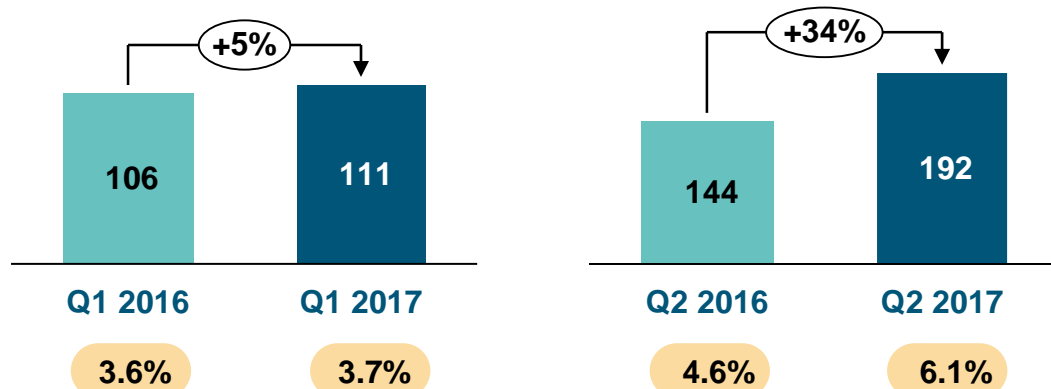
YoY EBITDA



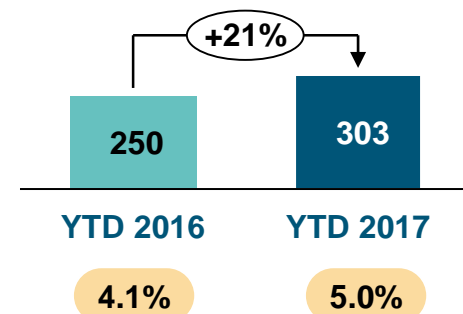
YTD EBITDA



YoY Net Profit



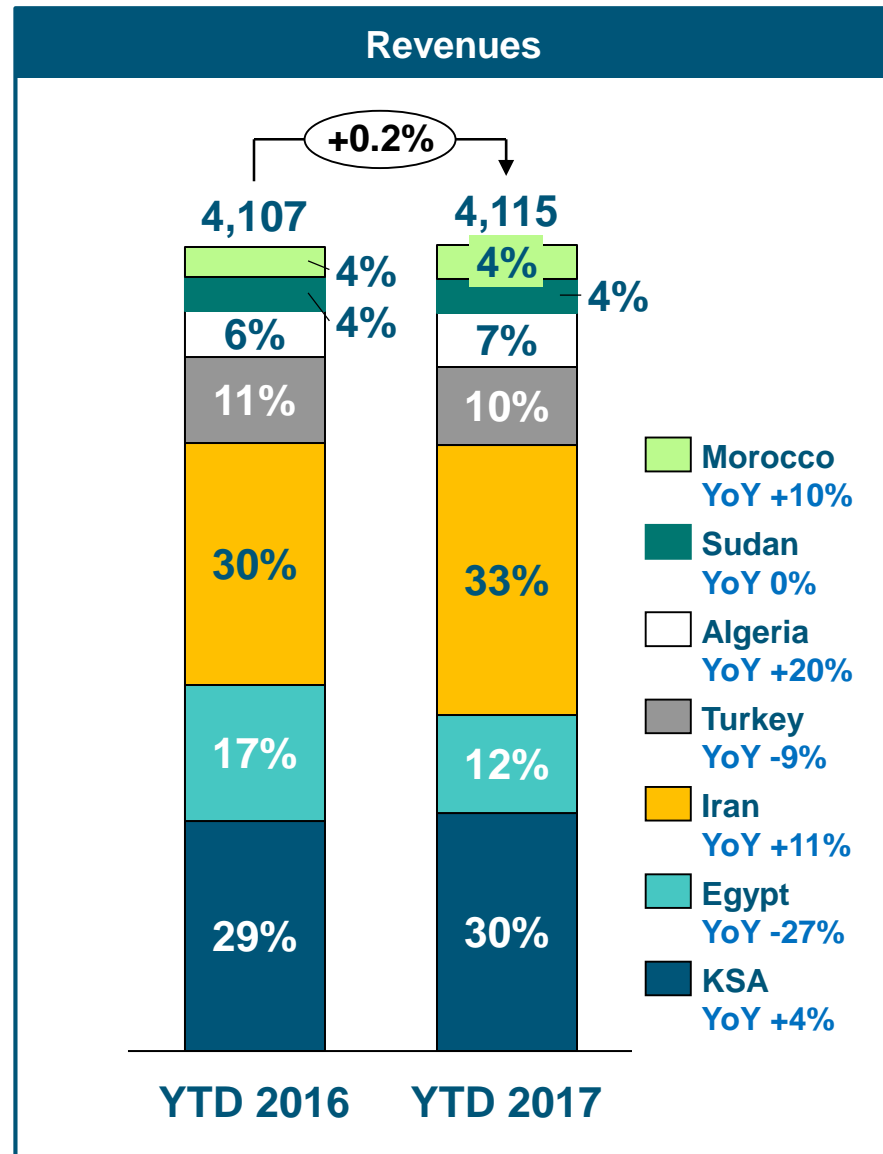
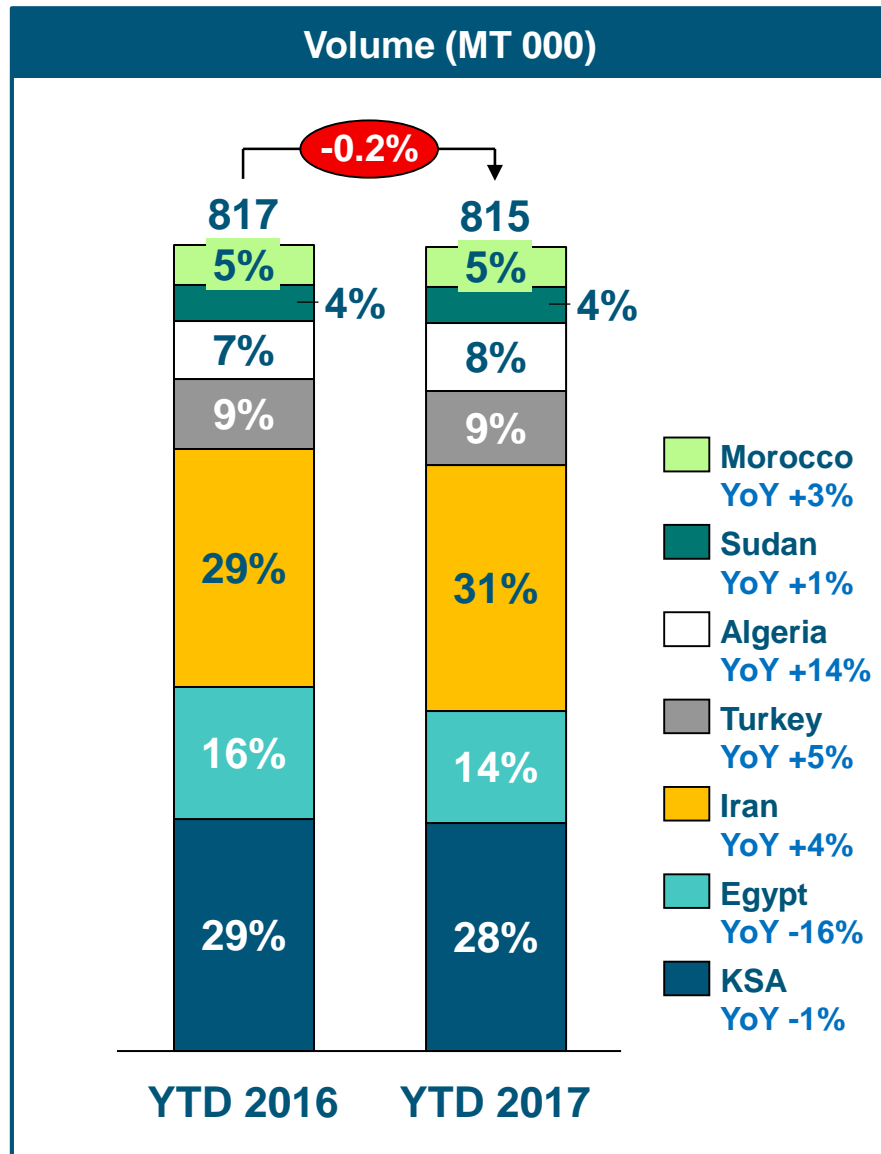
YTD Net Profit



Note: the figures presented in the charts are rounded

FOODS – OIL SEGMENT ANALYSIS

SAR Mn

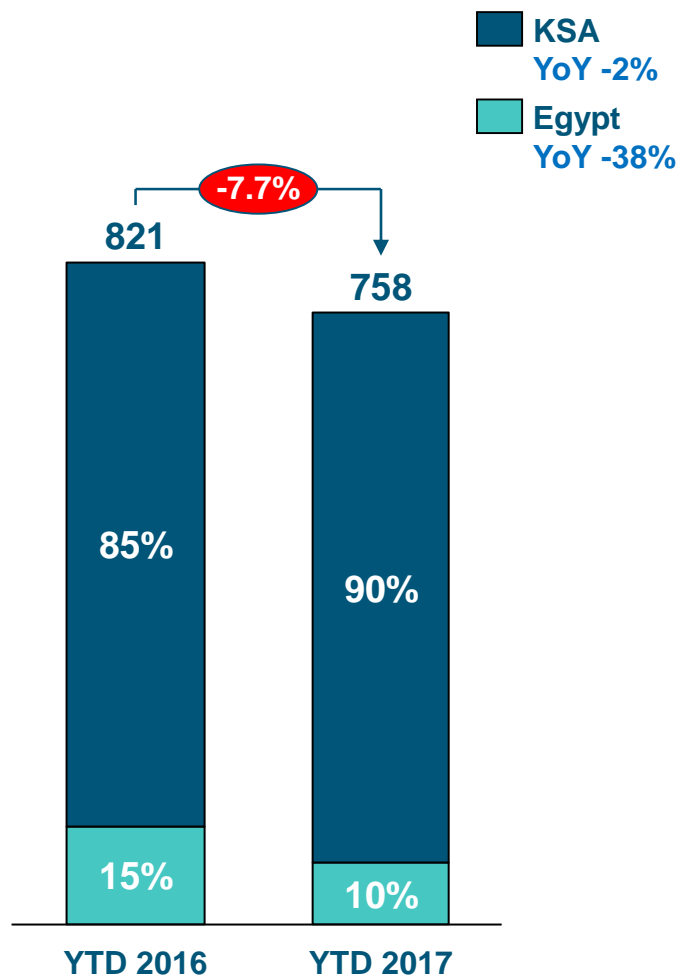


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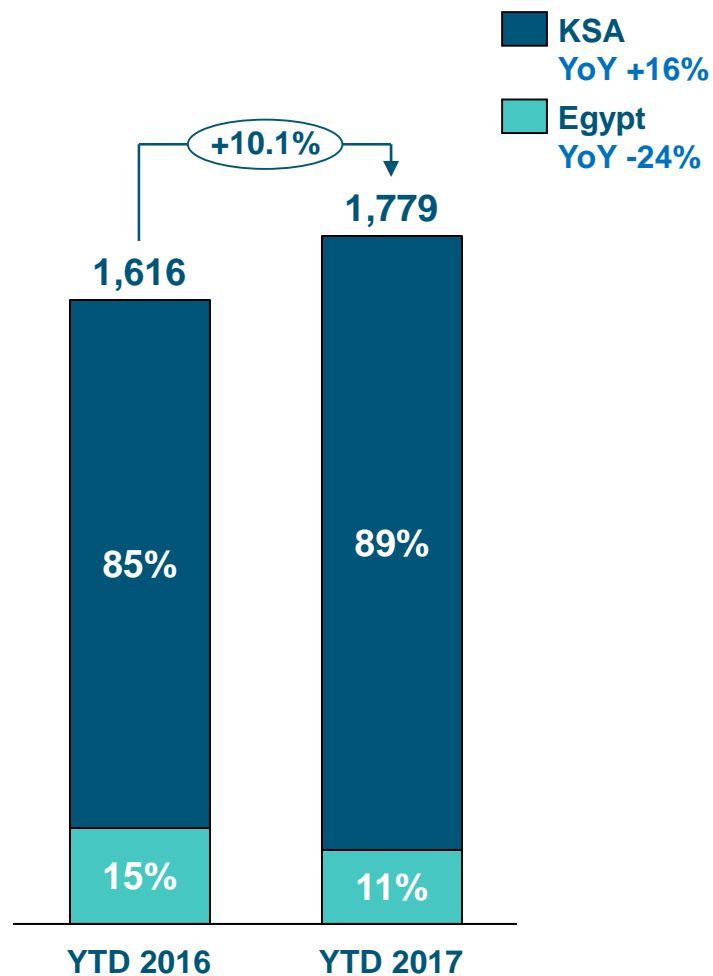
FOODS – SUGAR SEGMENT ANALYSIS

SAR Mn

Volume (MT '000) (1)



Revenues (1)



(1) Sugar volumes and revenues include only the contribution from sugar operations (USC and ASC).

Note: USCE has been deconsolidated; YTD June 2017 USCE volume is 352 K MT (+16% YoY) and revenue is SAR 721 Mn (+36% YoY).



FINANCIAL SUMMARY



FINANCIALS – YTD JUNE 2017

(all figures are in SAR millions)

Segment Wise Financials

	YTD - 2017					YTD - 2016 (Represented)				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food										
Oil-Mature Markets	3,492	611	288	224	321	3,546	720	409	286	451
Oil-Start-up Markets*	623	67	20	9	26	561	77	28	18	35
Total Oil	4,115	678	308	232	347	4,107	797	437	304	487
Sugar	1,785	200	136	65	169	1,619	99	25	(81)	69
Pasta	200	27	10	5	17	302	73	38	26	45
Total Foods	6,100	906	454	303	532	6,027	969	500	249	600
Retail										
KSA	5,987	1,101	(417)	(447)	(183)	6,978	1,445	(83)	(120)	137
Overseas	123	14	(10)	57	(7)	167	31	(2)	(5)	1
Total Retail	6,110	1,115	(427)	(390)	(190)	7,145	1,477	(85)	(125)	138
Herfy	547	162	103	96	134	561	162	108	103	155
Real Estate	0	0	(33)	(33)	(33)	0	0	16	16	16
Al Marai-Savola Share	0	0	366	366	366	0	0	348	348	348
HQ/Elimination/Impairments	(213)	(3)	(32)	(109)	(38)	(171)	(2)	(89)	(217)	(62)
Total	12,544	2,180	431	234	771	13,563	2,606	797	373	1,195
Adjustments										
Gain on Sale of USCE				(25)					-	
Share of Associates Liability				-					20	
Gain on Sale of Hyper Panda UAE				(62)						
Share of impairment Loss from an Associate				34						
Adjusted Profit				181					393	

* Start-up markets include Algeria, Morocco and Sudan

Note: YTD 2016 net income has been adjusted for IFRS, whereas Adjusted Profit excludes the impact of both FX fees and USD sourcing shown earlier in slide 9.