

Savola Group

Earnings Presentation | FY2023

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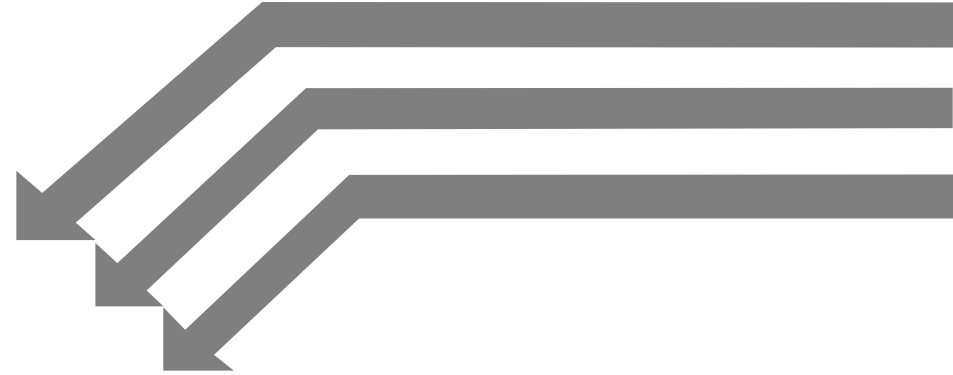
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1. **FY 2023 Performance Overview**
2. Savola Group Rights Issue and Distribution – Transaction Overview



Savola Group – FY 2023 Highlights

Solid Group Performance Continues

Healthy Group Performance	<p>For FY 2023, Savola Group reported overall healthy performance driven by turnaround in Panda’s results and strong performance of Savola Foods</p>
Panda Turnaround	<p>Panda’s FY 2023 positive net income compared to losses last year, primarily driven by growth from CXR stores and improved gross margins. Panda KSA recorded 5.3% Like for Like revenue growth for FY 2023</p>
Savola Foods Strong Performance	<p>Savola Foods delivered strong net income, on back of higher contribution margin and better product mix strategies throughout FY 2023 period. Both core markets of Arabia and Egypt showed strong performance, driving overall growth</p>

Posting Strong Profitability

Gross Profit	<p>Group’s gross profit reached SAR 5.4 bn, 12% higher than LY. Gross Profit increased by SAR 566 mn due to improved margins across all managed portfolio companies</p>
EBITDA	<p>The Group recorded EBITDA of SAR 3.3 bn compared to SAR 2.7 bn last year</p>
Net Income	<p>Net income reached SAR 899 mn compared to SAR 743 mn last year, mainly from the improved margins both in Savola Foods and Panda, higher share of profit from associate, partially offset by higher financial charges</p>

Savola Group – Consolidated Financial Highlights



Note: numbers are rounded

Savola Group – Consolidated Financial Highlights



Note:

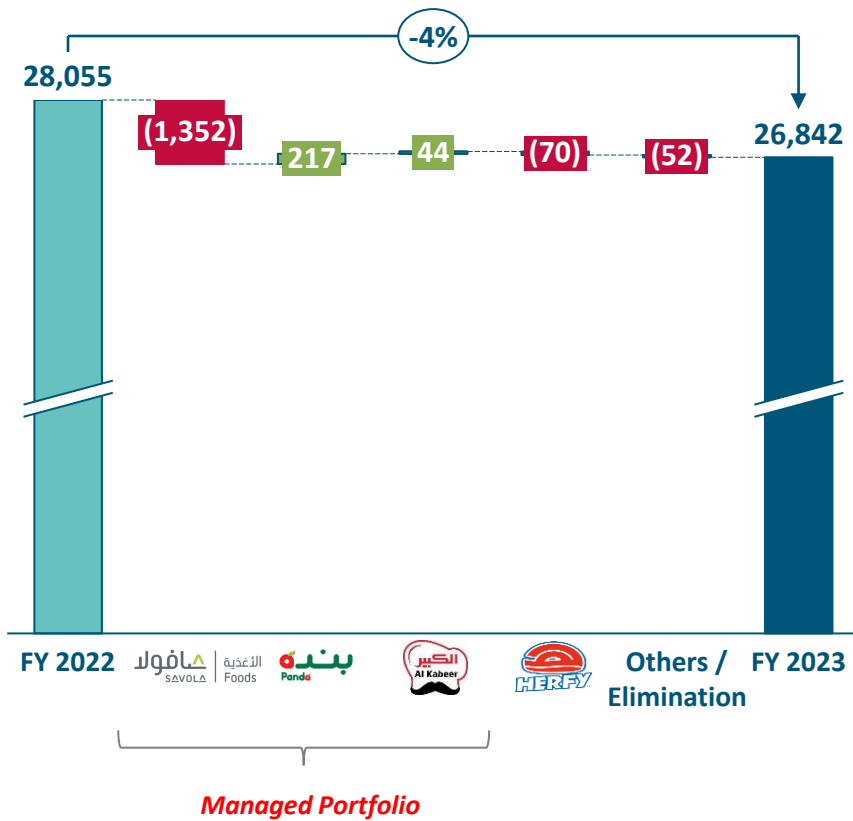
FY 2022 adjusted net income excludes one-offs related to impairments, reversal of impairments, gain on KECD disposal and intangible assets write off
 FY 2023 adjusted net income excludes one-offs related to impairments, reversal of impairments, gain on Morocco exit, custom duty refund, assets write downs and others
 Certain comparative amounts have been reclassified to conform with current year presentation

Note: numbers are rounded

Savola Group – FY 2023 Revenue & Net Income Bridge By Business

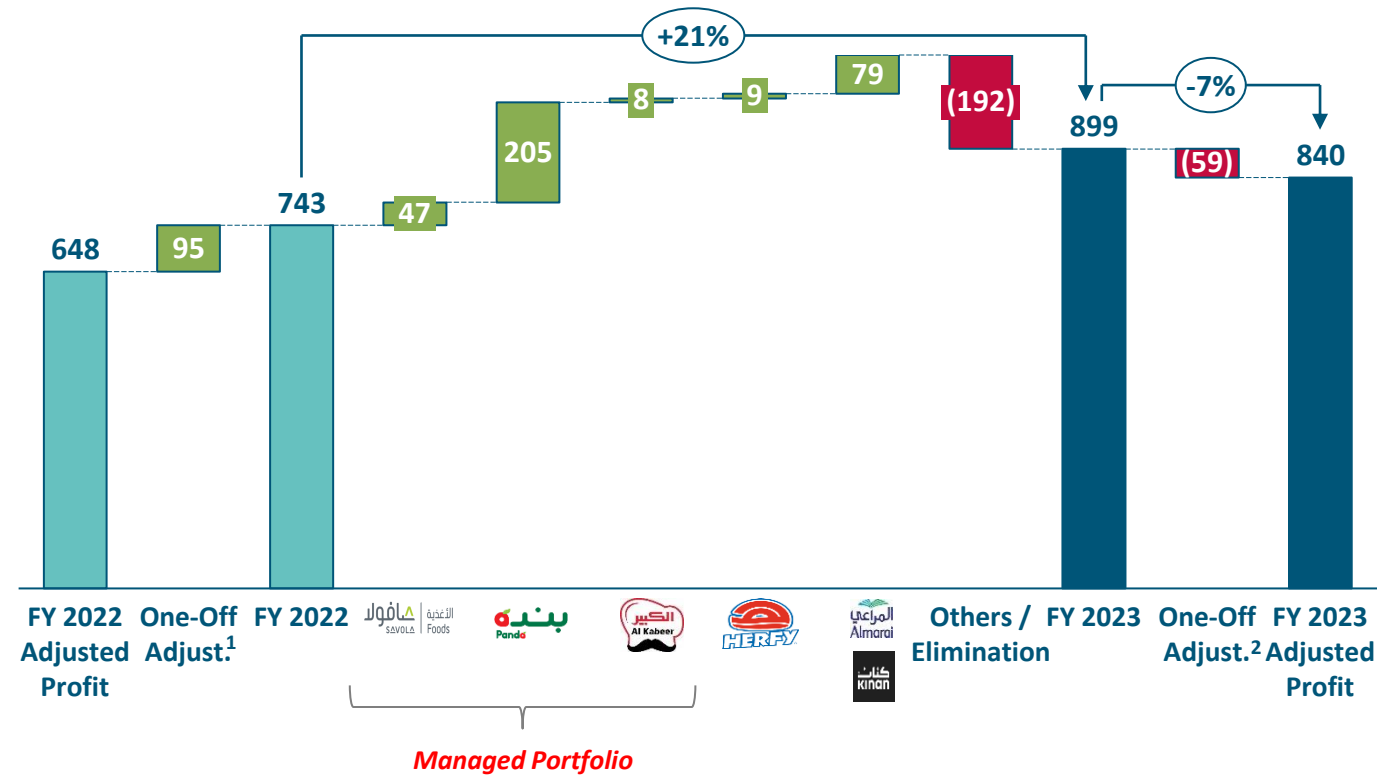
Revenue Bridge by Business

SAR in mn



Net Income Bridge by Business

SAR in mn



Note:

1) FY 2022 adjusted net income excludes one-offs related to impairments, reversal of impairments, gain on KECD disposal and intangible assets write off

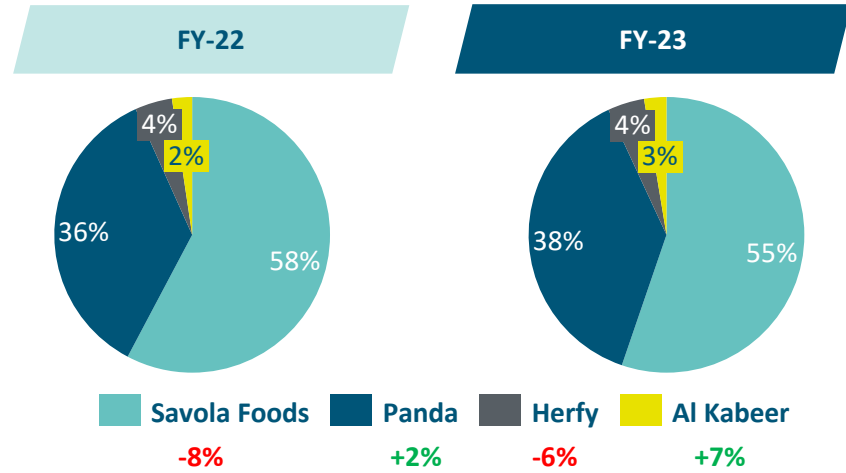
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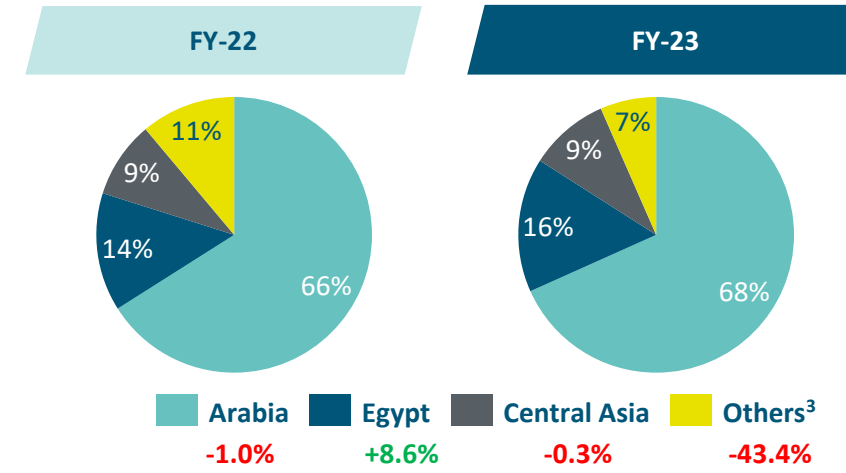
Savola Group – Revenue Mix, Net Debt & Capex

SAR in mn

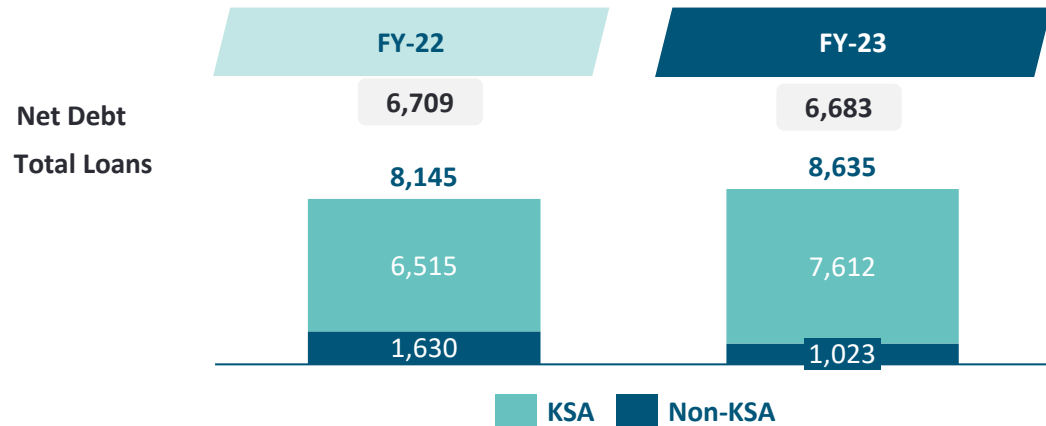
Revenue by Business¹



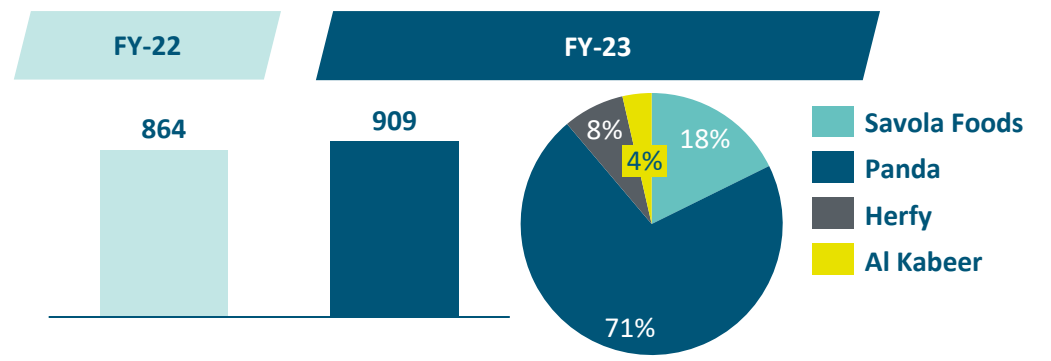
Revenue by Geography



Loans and Net Debt²

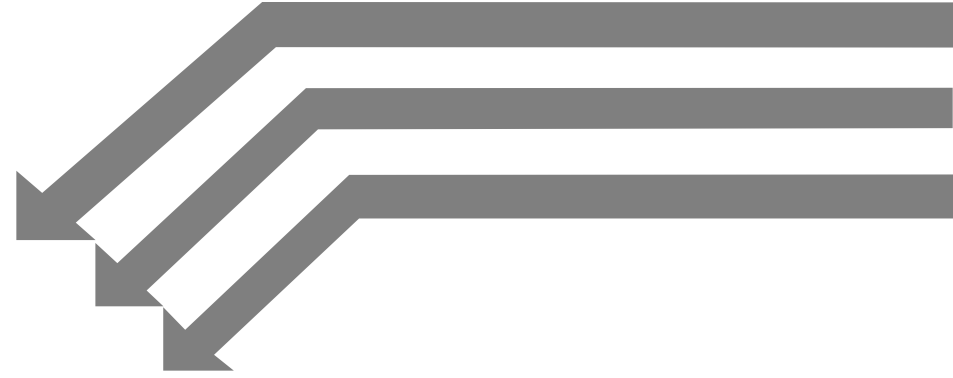


CAPEX



Note 1) Revenue by business % is based on net revenue before eliminations
 2) Net debt excludes lease liabilities
 3) Others impacted due to the loss of revenue from Morocco exit and suspension of operations in Sudan

Savola Foods Company

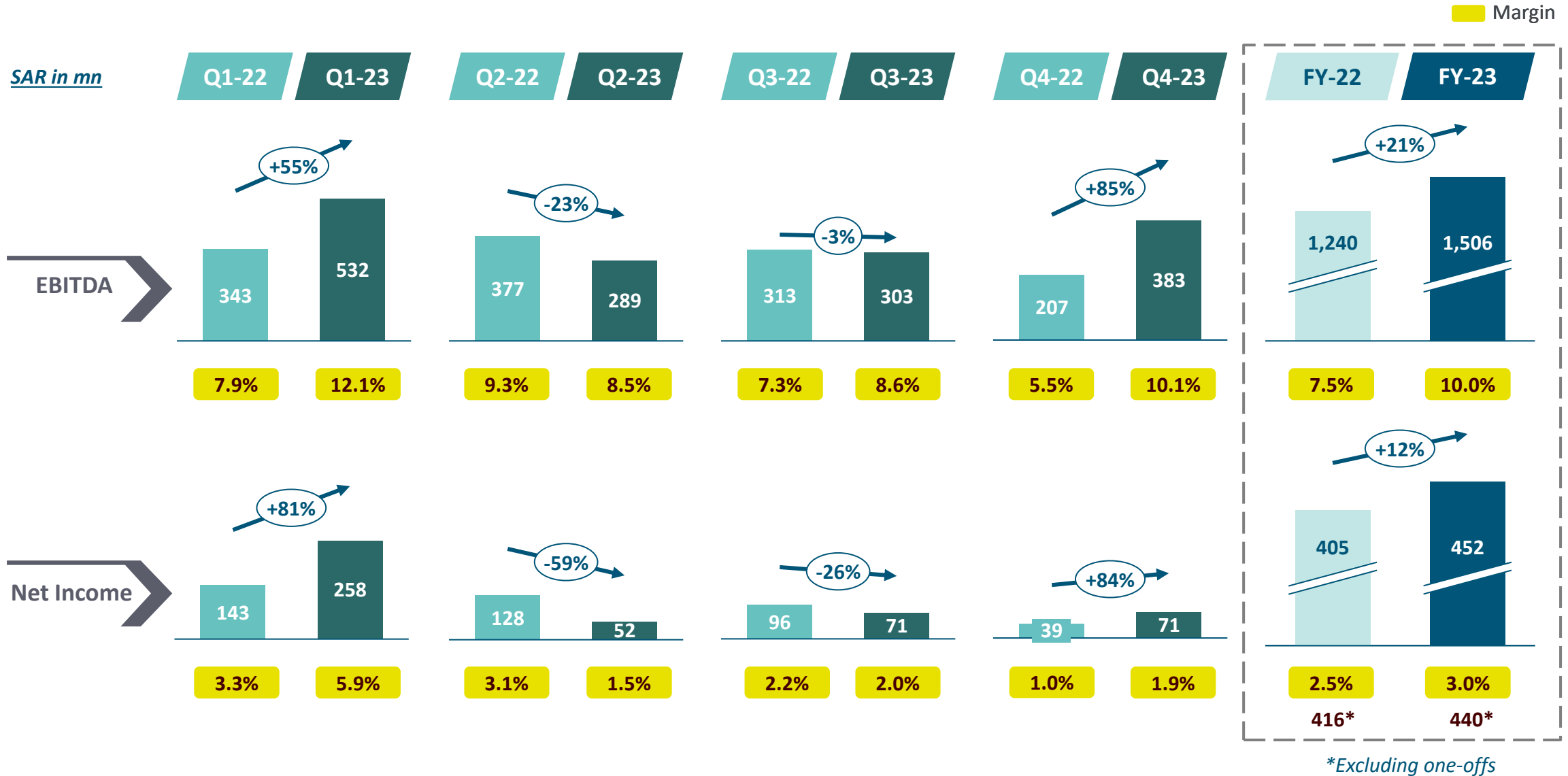


Strong Performance	For FY 2023, Savola Foods delivered strong performance in both its core markets of Arabia and Egypt
Revenue	Revenue in FY 2023 declined by 8% in FY 2023 compared to LY mainly due to drop in crude edible oil prices, lower volume in sugar segment and some oil markets, Morocco exit, and temporary suspension of Sudan operations
Gross Profit	Gross profit increased by 19% against LY, due to higher contribution margin in both oil and sugar categories. Margins improved on the back of product innovations, better B2B offerings and favorable oil positions at the end of 2022
Net Income	Savola Food's reported net income increased by 12% compared to LY, led by strong operational performance despite rolling losses in sugar segment and higher financial charges
Exits	During 2023, Savola Foods exited from Morocco and Iraq

Savola Foods – Consolidated Financial Highlights



Savola Foods – Consolidated Financial Highlights



Note:
 FY 2022 adjusted net income excludes one-off adjustments related to impairment
 FY 2023 adjusted net income excludes one-off adjustments related to impairment, reversals of impairment, gain on Morocco exit, custom duty refund, assets write down and others

Note: numbers are rounded

Oil, Sugar and Pasta categories saw several B2C innovations in 2023



AFIA Canola
(UAE)



YUDUM
Turmeric Immunity support
(Turkey)



YUDUM Frying
Improved Pack & Formula
(Turkey)



Hand Painted Olive Oil Glass Bottles
(Turkey)



AFIA Olive Oil
(Algeria)



Ganna Mix
Enhanced Quality Margarine
(Egypt)



Ganna New Zealand
New Intense Flavor Ghee
(Egypt)



New Maleka Range
New Chewy Bite Pasta
(Egypt)



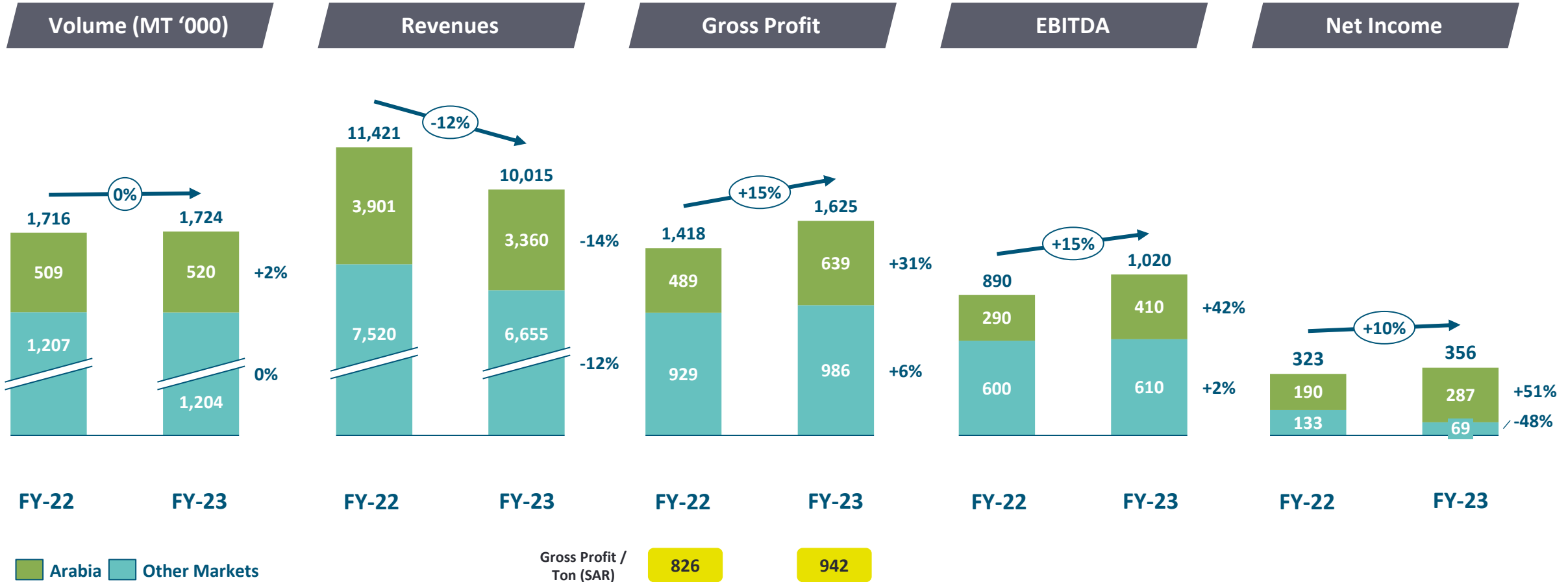
Italiano Immune
Fortified Pasta in
(Egypt)



Sweet & Fit Sugar
(KSA)

Savola Foods – Oil Segment Analysis

SAR in mn



Strong profitability on the back of higher contribution margin

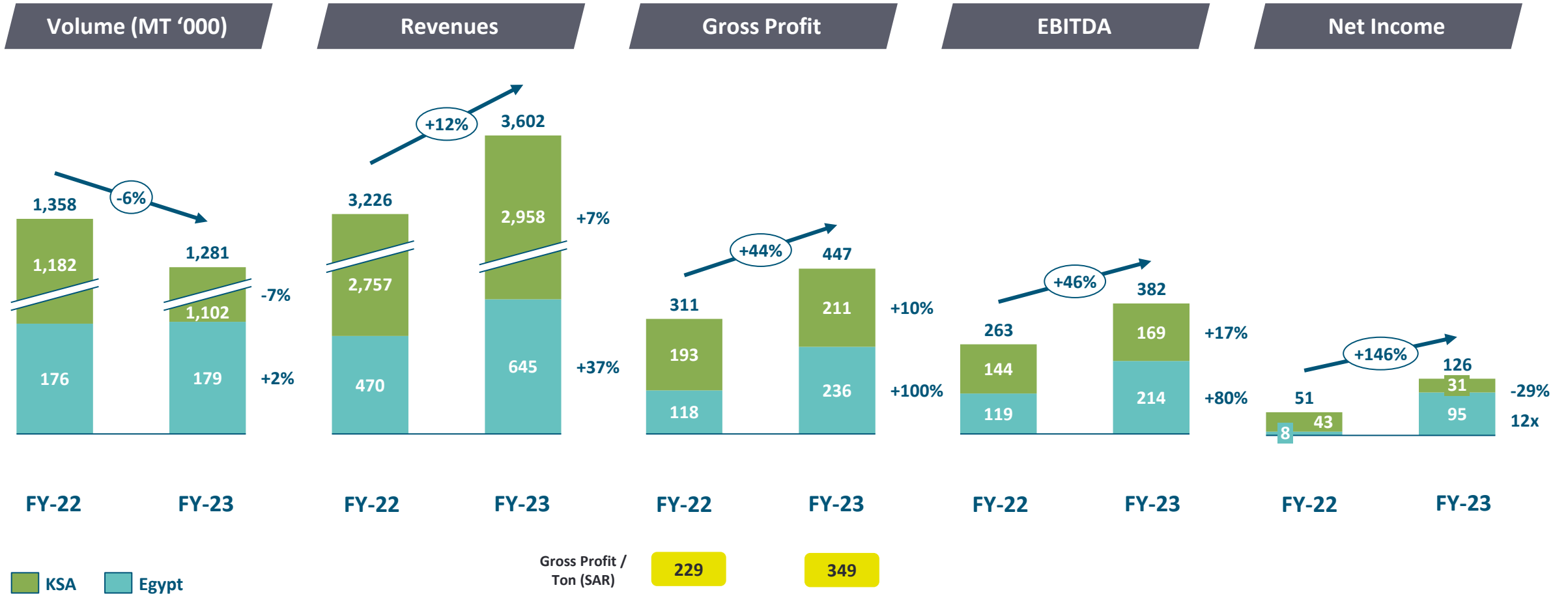
Note:

- 1) Certain comparative amounts have been reclassified to conform with current year presentation
- 2) Arabia represents GCC and Levant
- 3) Other markets exclude Morocco from FY-22 and FY-23, as it was exited in Q1-2023
- 4) For Sudan Operation; Revenues (FY 2022: SAR 779mn; FY 2023: SAR 149mn) Net income (FY 2022: SAR 0.4mn; FY 2023: SAR -68mn)
- 5) All % above refer to growth numbers

Note: numbers are rounded

Savola Foods – Sugar Segment Analysis

SAR in mn



KSA profitability is impacted by drop in volumes and rolling contract losses, while Egypt sugar posted strong performance

Note:

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- 2) All % above refer to growth numbers

Note: numbers are rounded

Nuts, Spices & Pulses categories under “Bayara” and “Afia” brands continue to innovate and expand



“Bayara World”, Bayara’s retail boutique, launched in UAE in 2023



Range of Energy Bars launched in 2023



Nuts, Spices, Pulses range strengthened in KSA under “Afia” brand name



Savola Foods – Nuts, Spices And Pulses Segment Analysis

SAR in mn

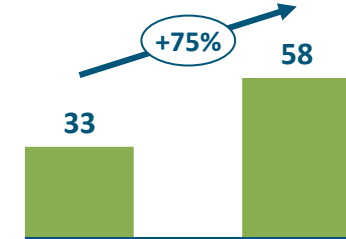
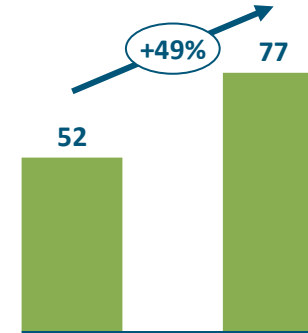
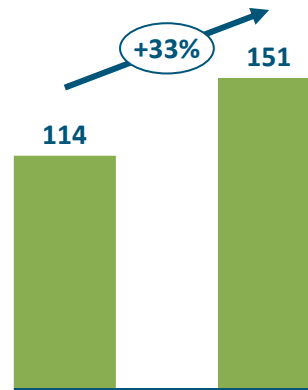
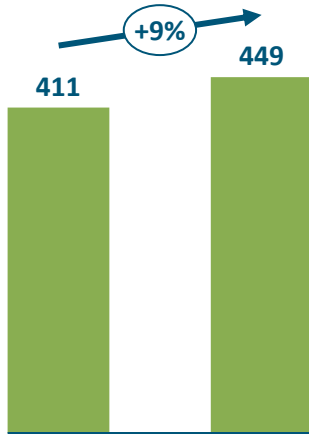
Revenues

Gross Profit

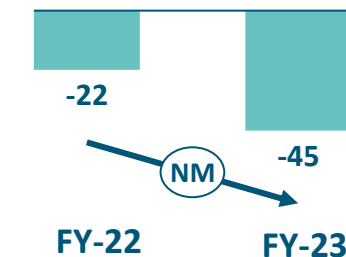
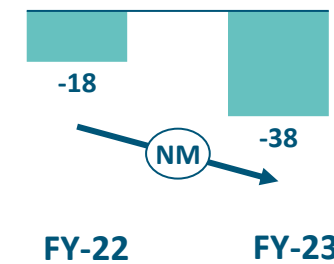
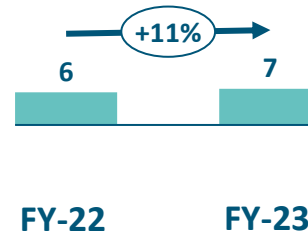
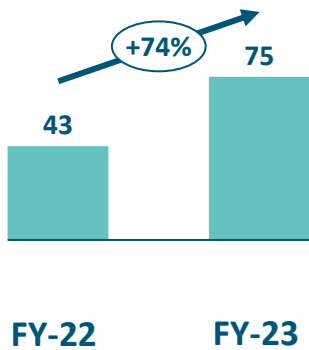
EBITDA

Net Income

UAE



KSA
(Relaunch Segment)

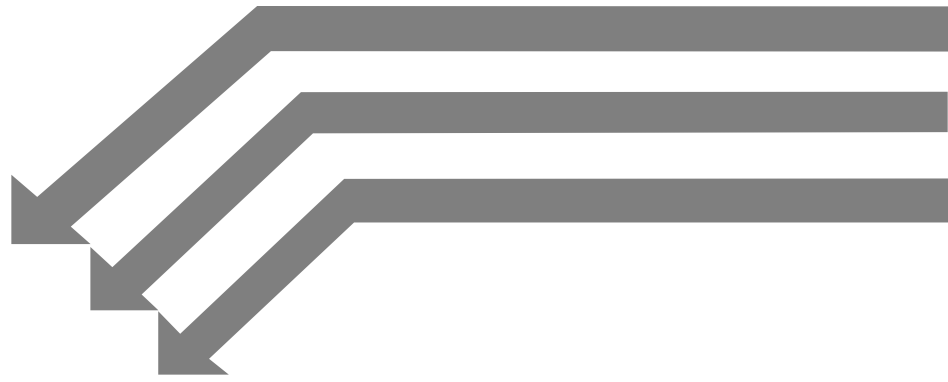


Bayara UAE demonstrated strong performance. KSA continues to ramp up

Note:
1) All % above refer to growth numbers

Note: numbers are rounded

Panda Retail Company



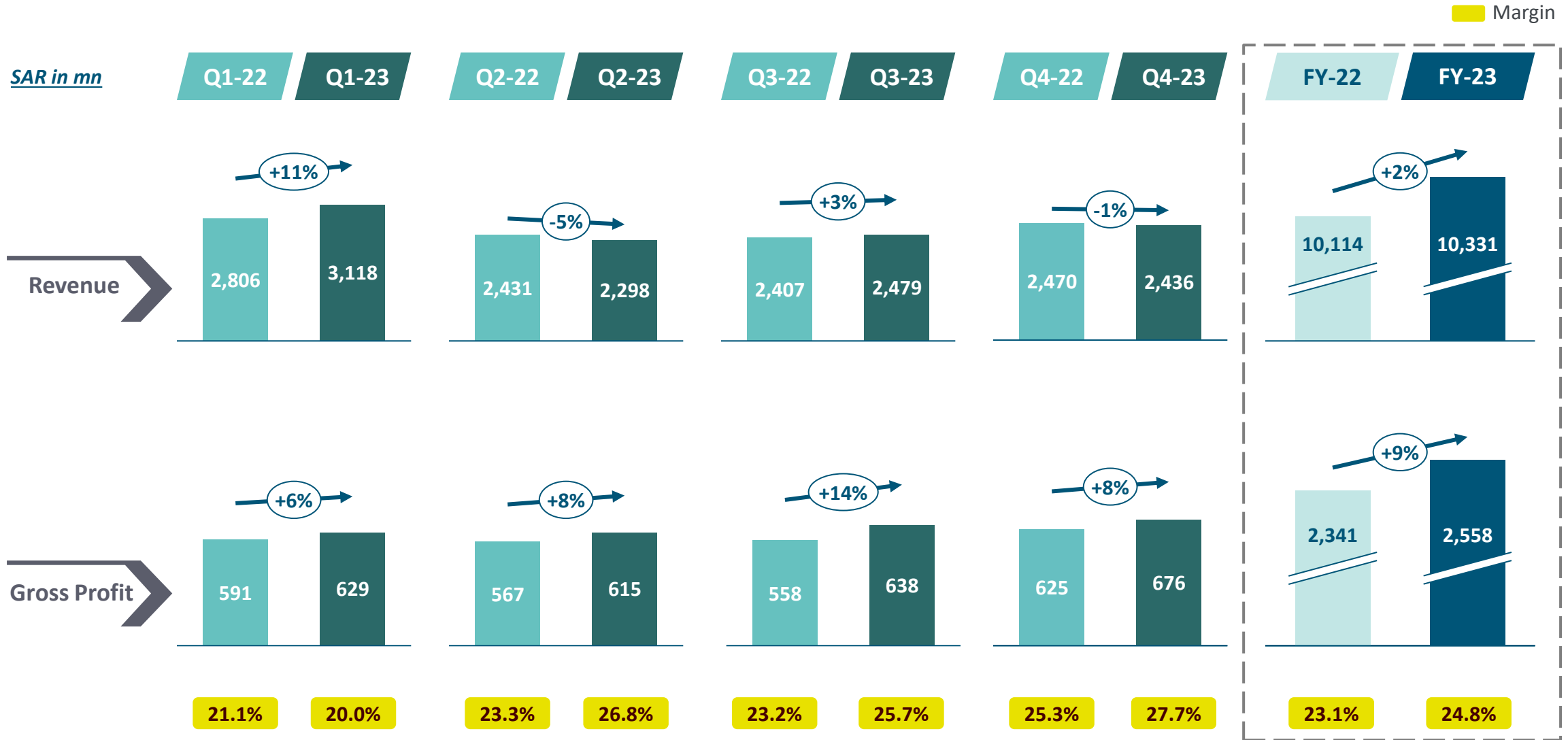
Strong Performance

Strong Revenue and LFL Growth	<p>Panda’s consolidated revenue reached SAR 10.3bn in FY 2023, higher than LY by 2% which is mainly driven by better performance of CXR stores.</p> <p>KSA LFL revenue increased by 5.3% in FY 2023 mainly driven by increase in customer count</p>
Gross Profit Increase	<p>Gross profit improved by 9% in FY 2023 on the back of higher gross margin due to positive CXR impact</p>
EBITDA Expansion	<p>EBITDA margins expanded from 4.8% to 7.5% driven by higher gross profit and cost optimization</p>
Net Income	<p>Panda posted net income of SAR 47mn in FY 2023 compared to the loss of SAR 158mn LY on the back of higher Revenue and better margins</p>

Milestones

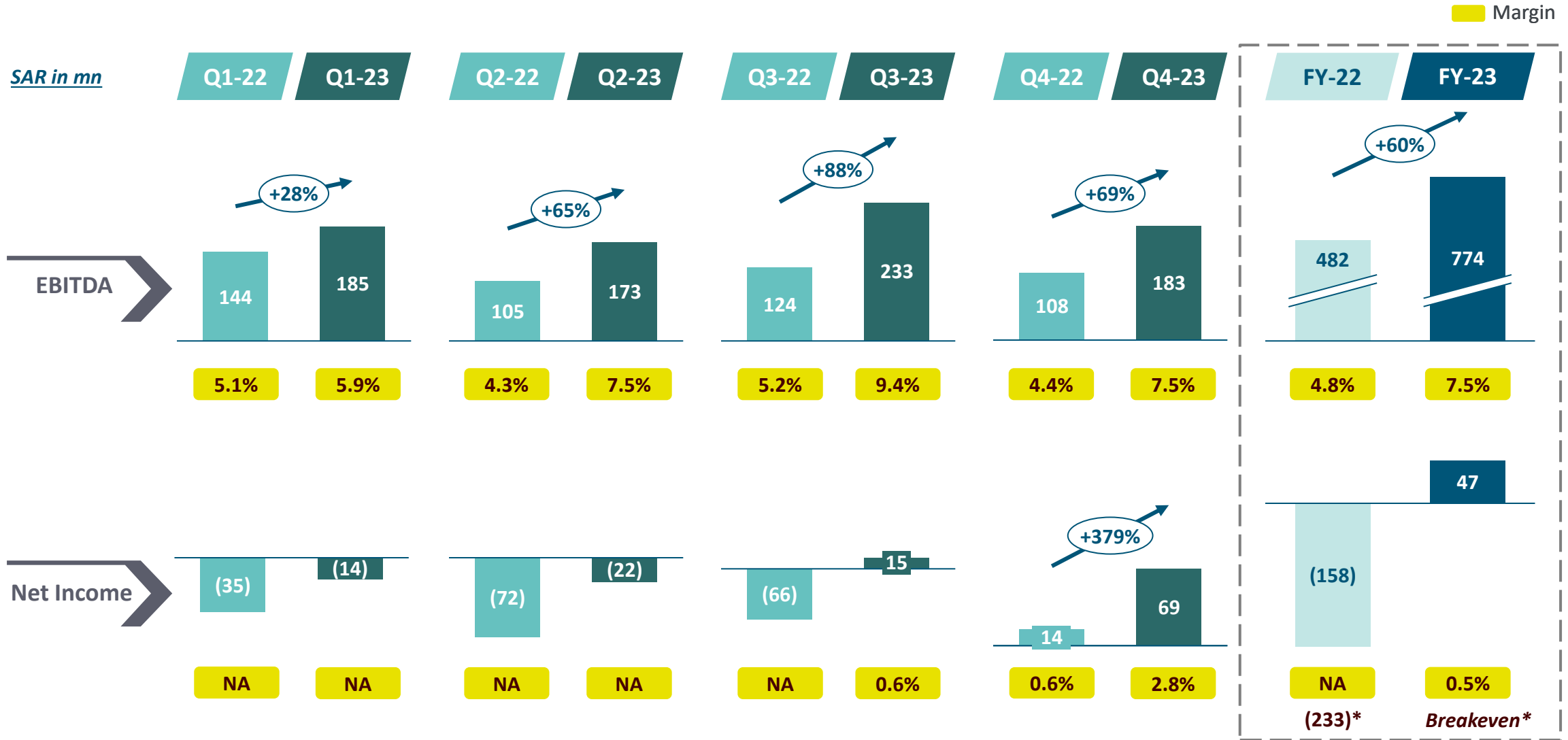
New Stores	<p>Panda opened 7 new stores in KSA during Q4 2023 and targets to add 14 new stores during 2024</p>
CXR Update	<p>Rolling-out CXR wave 4 with up to 28 stores with planned completion in 2024</p>
Minority Stake Acquisition	<p>During Q4 2023, Savola Group became 100% shareholder of Panda after completing the acquisition of 1.1% minority stake for SAR 60mn</p>

Panda – Consolidated Financial Highlights



Note: numbers are rounded

Panda – Consolidated Financial Highlights



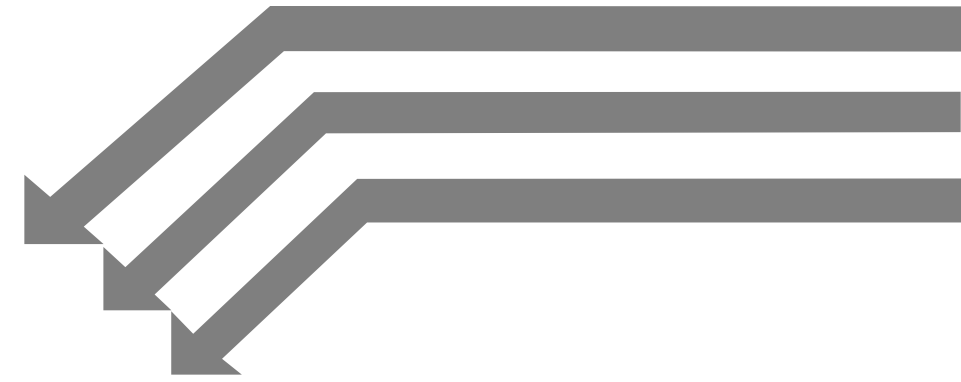
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 FY 2023 adjusted net income excludes one-off related to reversals of impairment
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Panda – Number of Stores



Note:
 188 Stores KSA and 5 in Egypt
 September 2023 selling area has been resized owing to CXR adjustments*

Al Kabeer





Revenue Growth	<p>During FY 2023, Al Kabeer revenue increased by 7% compared to LY primarily driven by growth in volume and better pricing in some of its key categories. Both its core markets of KSA and UAE witnessed growth led by better performance in modern trade and HORECA channels</p> <p>Sales also benefitted from marketing efforts and brand revamp undertaken towards the end of 2023</p>
Gross Profit	<p>Gross profit grew by 18% in 2023 against LY on the back of higher gross margin</p>
Net Income	<p>FY 2023 net income increased by 13% against LY due to above mentioned reasons despite higher operating costs</p>

Al Kabeer – Consolidated Financial Highlights



Margin



Note: numbers are rounded

Al Kabeer – Consolidated Financial Highlights



Margin



Note: numbers are rounded

Al Kabeer Revamping Activities

Riyadh Boulevard - New Logo Launch in Nov 2023

Old Logo



New Logo



Consumer Engagement Activities through out the year



New Logo and New Packaging



New Product Launch



Zing Chicken Strips
Siracha Flavor

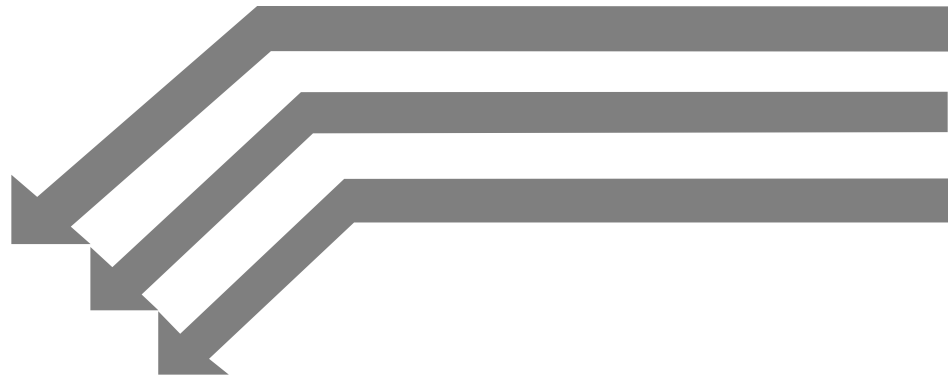


Stuffed Fafel



Zing Chicken Fillets
Non-Spicy

Focus Areas - 2024



Key Focus Areas in 2024

Food Processing



- Maintain leadership in core categories (edible oil and sugar); “Afia” brand modernization



- Strengthen B2B platform under the “Savola Professional”



- Consolidate Bayara’s leadership and maintain performance in UAE, and focus on KSA ramp up



- Continue reallocating capital



- Manage performance during 2024 despite continuing macro headwinds (FX, Interest rate etc.)

Retail



- Expect the completion of 28 additional stores under CXR wave 4
- Opening 10 new stores in KSA during 2024



- Focus on digital initiatives to improve online sales, data monetization and operations optimization



- Launch extra partnership across KSA stores as part of improving “GET” categories
- Continue identifying partnerships to increase OMNI channel performance



- Continue focus on cost optimization initiatives
- Build on growth and profitability momentum

Frozen Food



- Focus on new product launches and innovation led growth. Leverage from rebranding and repackaging initiatives taken in 2023. Strengthen consumer engagement



- Strengthening market positioning and share. Further solidifying performance in core markets of KSA and UAE

Financial Summary



Financials Summary – FY 2023

(All figures are in SAR mn)

Segment Wise Financials ¹										
	FY 2023					FY 2022				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Savola Foods										
Oil										
Arabia ²	3,360	639	354	287	410	3,901	489	231	190	290
Other Markets ³	6,773	1,006	524	79*	625	8,146	939	499	128	602
Total	10,133	1,645	878	366*	1,035	12,046	1,428	730	318	892
Sugar										
KSA	2,958	211	113	31	169	2,757	193	90	43	144
Egypt	645	236	199	95**	214	470	118	95	8	119
Total	3,602	447	312	126**	382	3,226	311	185	51	263
Pasta	549	69	25	15	33	528	82	27	21	38
Nuts, spices and pulses										
UAE	449	151	61	58	77	411	114	37	33	52
KSA	75	7	(42)	(120)***	(38)	43	6	(21)	(22)	(18)
Total	525	159	18	(61)***	39	454	120	15	11	33
Emerging Categories ⁴	280	36	15	6	18	186	45	12	3	14
Total Foods	15,089	2,356	1,249	452	1,506	16,441	1,986	970	405	1,240
Panda										
KSA	10,169	2,526	187	42	758	9,957	2,309	(92)	(162)	468
Egypt	162	32	8	4	16	157	32	6	3	14
Total Retail	10,331	2,558	195	47	774	10,114	2,341	(87)	(158)	482
Herfy	1,174	284	43	8	218	1,244	340	92	(1)	261
Al Kabeer	714	249	77	70	89	670	211	68	62	88
Share of profit from associates	-	-	768	768	768	-	-	688	688	688
HQ/Elimination/Impairments	(466)	(7)	(110)	(445)	(70)	(414)	(4)	(129)	(253)	(93)
Total	26,842	5,440	2,221	899	3,284	28,055	4,874	1,603	743	2,666
Adjustments										
A. Savola Foods Net Adjustments				(12)					11	
B. Panda Net Adjustments				(47)					(75)	
C. Gain on KECD Disposal				-					(42)	
D. Herfy Net Adjustments				-					9	
E. Others				-					2	
Adjusted Profit				840					648	

¹ All the numbers are rounded for the purpose of presentation and have been represented under different categories after inter-segment elimination and reclassification

² Arabia includes GCC and Levant

³ Other markets include all markets except Afia Arabia and IFI Speciality Fats

⁴ Includes seafood and Central Asia bakery

⁵ Certain comparative amount have been reclassified to conform with current year presentation

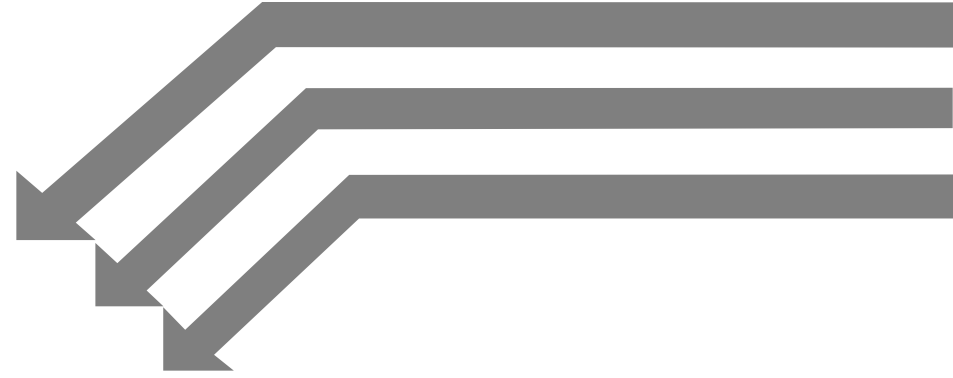
* Includes SAR 67mn impairment/asset write down

** Includes SAR 115 mn impairment reversal relating to Sugar Egypt

*** Includes SAR 75 mn impairment of Goodwill



1. FY 2023 Performance Overview
2. **Savola Group Rights Issue and Distribution – Transaction Overview**



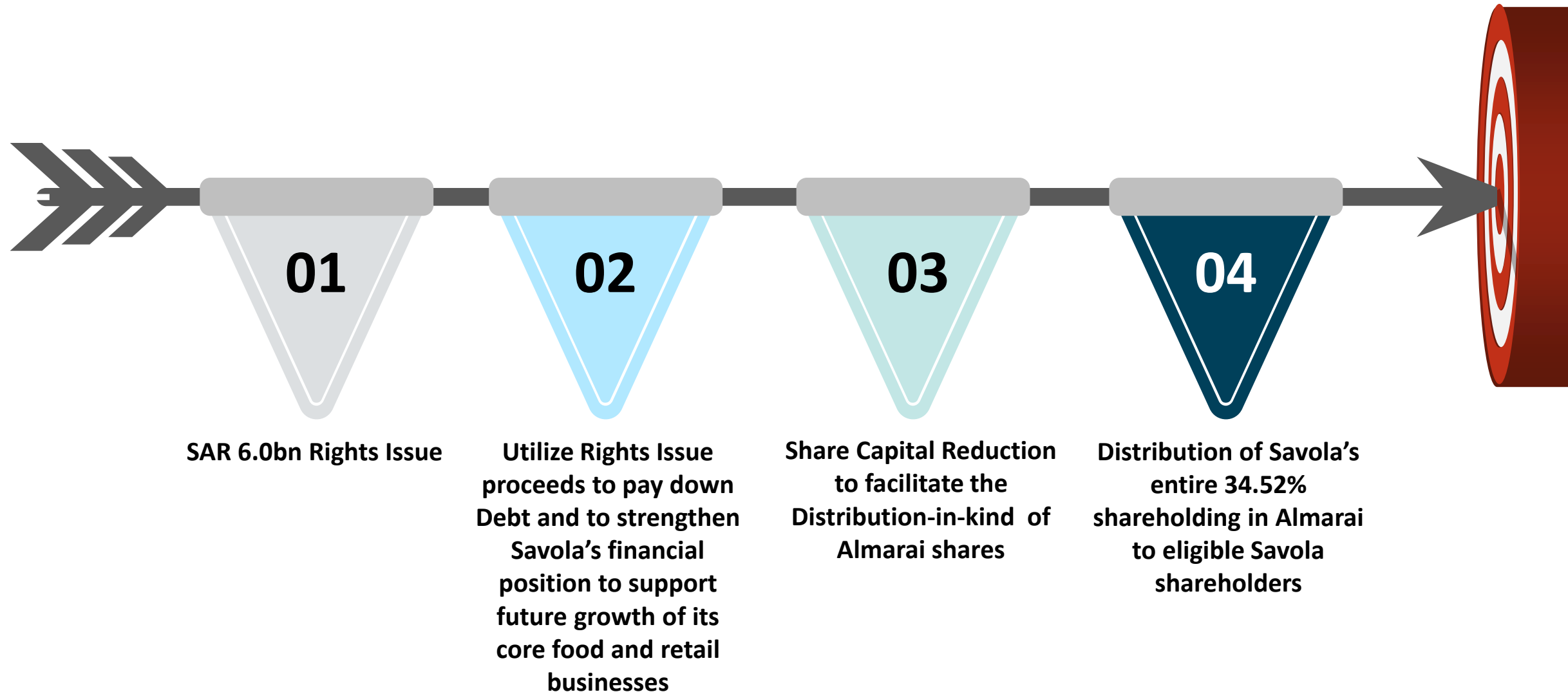
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Why? – A Compelling Rationale Behind Proposed Transaction



Unlocking Value

Unlock value for Savola’s shareholders - Almarai distribution and rights issue is for Savola shareholders to gain direct exposure to growth potential of both companies

Strengthen Financial Position

Leverage proceeds from rights issue to strengthen Savola’s financial position, optimize capital structure, improve financial flexibility and fund future growth plans

Focus on Core Portfolio

Renewed focus on expansion within Savola’s streamlined portfolio of food and retail businesses, that are sizeable enough to benefit from attractive market conditions

Long Term Growth Optionality

Set a course for exploring opportunities in the future to realise value from other businesses with monetization potential, including potential listing of Panda in future

Value Creation

Position to deliver sustainable financial performance by focusing on businesses’ growth, transformation, while building on longstanding track record of executing transactions that deliver attractive returns

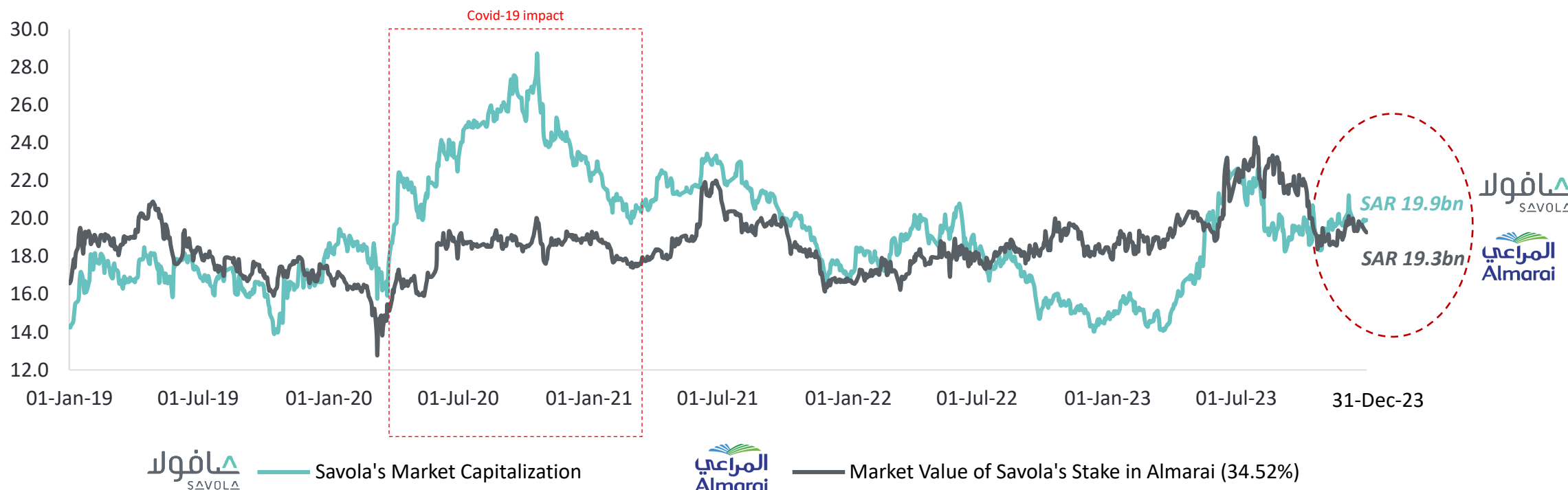
Why? – Trapped Equity Value With Potential to Unlock for Our Shareholders

Historically, the market capitalization of Savola has closely tracked the market value of Savola's stake in Almarai

Market capitalization of Savola vs. Market value of Savola's stake in Almarai (last 5 years)

(SARbn)	Average						
	5 Years	3 Years	1 Year	6 mon.	3 mon.	1 mon.	Current
Savola's Market Capitalization	19.2	18.9	18.4	20.0	19.6	19.9	19.9
Market Value of Savola's Stake in Almarai	18.6	19.0	20.2	21.0	19.6	19.6	19.3
Difference %	3.5%	(0.5%)	(8.8%)	(4.6%)	0.2%	1.5%	3.4%

SAR in billions



How? – The Transaction Has Four Interlinked Components

- Savola will distribute its entire 34.52% shareholding in Almarai to eligible shareholders, aiming to unlock value for Savola’s shareholders
- Distribution will be preceded by a SAR 6.0 billion rights issue, strengthening Savola’s financial position and funding for long-term growth opportunities

Four components include rights issue, strengthen financial position, capital reduction and distribution-in-kind



How? – Proceeds From The Rights Issue Will Enable The Full Distribution of Almarai

The example below is not made at scale. This is subject to the CMA, EGM and any other regulatory approvals and is subject to change.

Impact on Savola's Shareholders' Equity



The Proposed Transaction Is Intended To Unlock The Value For Savola's Shareholders

Almarai distribution and the preceding rights issue is an opportunity for Savola's shareholders to gain direct exposure to growth potential of both the companies








Pre transaction: Savola shareholder has direct stake in Savola and indirect stake in Almarai

Post Transaction: Savola shareholder to have direct stake in both Savola and Almarai and potential to benefit from the performance of both companies directly



Savola Group Holdings – Leading Food and Retail Businesses

Post transaction, Savola will continue to own and operate leading food and retail businesses in the MENAT region

Company	Ownership	Vertical	Description	FY 23 Financial Performance	Strategic Direction
	 100%	Food (Edible Oil, Sugar, Pasta, Nuts, Spices and Pulses)	<ul style="list-style-type: none"> MENAT region’s largest basic food business Select Brands:  	<ul style="list-style-type: none"> Revenue: SAR 15.0 bn EBITDA: SAR 1.5bn 	<ul style="list-style-type: none"> Protect and expand on Edible Oils and Fats business Focus on building value add food categories and brand extension of “Afia” Continue to rebalance portfolio and reallocate capital to identified opportunities
	 100%	Retail (Hyper and Super Markets)	<ul style="list-style-type: none"> Leading grocery retailer in KSA with presence in Egypt Leading player with 20%+ market share and presence in 40+ cities in KSA 	<ul style="list-style-type: none"> Revenue: SAR 10.3 bn EBITDA: SAR 0.8 bn 	<ul style="list-style-type: none"> Focus on expanding its footprint and digital initiatives Continued improvement through its Customer Experience (“CX”) program Potential listing in future for shareholder value creation
	 51.0%	Food (Frozen Foods)	<ul style="list-style-type: none"> Leading company in the frozen food industry in the GCC Three facilities across KSA and UAE 	<ul style="list-style-type: none"> Revenue: SAR 0.7 bn EBITDA: SAR 0.1 bn 	<ul style="list-style-type: none"> Focus on strengthening market positioning and share Solidifying its presence in KSA Expand on product innovation
	 49.0%	Retail (Quick Service Restaurants)	<ul style="list-style-type: none"> Owns and operates 380+ fast food restaurants, along with a modest food processing unit Has a market capitalization of SAR2.10bn¹ 	<ul style="list-style-type: none"> Revenue: SAR 1.1 bn EBITDA: SAR 0.2 bn (consolidated in Savola Group) 	<ul style="list-style-type: none"> One of the leading QSR chain in KSA undergoing Transformation

Source: Company Financials, CapIQ
 Note: Numbers are rounded; (Note 1.: As per CapIQ as of Dec 31, 2023)

Investor Relations

Refer to the below link for details on Rights Issue and Distribution

[Savola Group | Rights Issue and Distribution | Overview](#)

Investor Relations Email Communications

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Thank you