

Savola Group

Earnings Presentation | FY2024

Date: 19-03-2025

www.savola.com



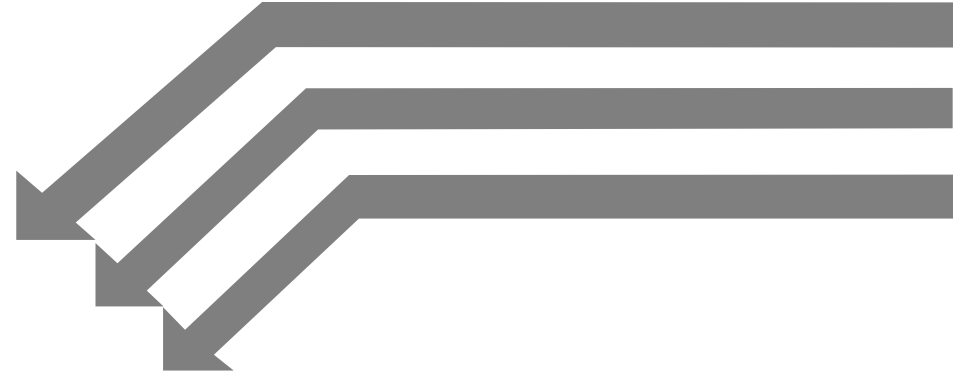
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Savola Group Highlights



Savola Group – Delivering Value and Maximizing Possibilities in 2024

Our Core Continues to Deliver Results despite certain headwinds

- **Reported revenues of SAR 24.0 bn for FY 2024**, remaining largely in line with prior year revenue of SAR 24.1 bn. **This resilience reflects the strong performance of Panda and Al Kabeer** offsetting the impact of lower revenues in Savola Foods. The Group recorded a **net profit for FY 2024 of SAR 10 bn versus SAR 899 mn** in the prior year
- In our non-managed businesses, **Herfy continued to face headwinds** which negatively impacted Group’s profitability during 2024
- Successfully **completed the SAR 6bn Rights Issue which were utilized to settle Savola Group Holding debt**
- **Reduced its capital to SAR 3.0 bn during 2024 to enable distribution of Almarai shares and optimize its capital structure**
- The landmark transaction was completed in record time and resulted in meaningful value creation for Savola’s shareholders as we continue to realign our future path

A Series of Successful Landmark transactions completed to deliver maximum possibilities for the Future to our Shareholders



- Core profitability continued to be resilient in face of increased competition despite challenges in edible oil segment in Arabia. **Reported net loss of SAR 1.7 bn for FY 2024 due to one-off non-cash loss of SAR 1.2 bn related to Iran divestment and other one offs & impairments. Adjusted core net income for FY 2024 is SAR 349 mn. Bayara UAE continues to grow and expand its profitability, while revenue grew over 50% in Saudi Arabia**
- **Successfully divested its Iran business** as part of the Savola Foods pruning strategy to exit non - core markets and reallocating resources towards high potential and growth-oriented markets. **The Sudan business** has been **wound down** amid the ongoing political situation



- Panda reported stable **revenue growth of 3% despite CXR disruption. The expansion of Panda’s store footprint and the ongoing benefits of its multi-year Customer Experience Revival program** have strengthened operations and customer engagement, **driving an 23% growth in EBITDA** and a rise in **net profit to SAR 154 mn** from last year’s SAR 47 mn
- Panda **opened 15 new stores in 2024 in KSA** to strengthen its position as the leading Modern Trade grocery platform in the Kingdom
- As part of its CXR program, Panda has **rolled out 27 stores** in 2024 totalling to 102 stores since program inception

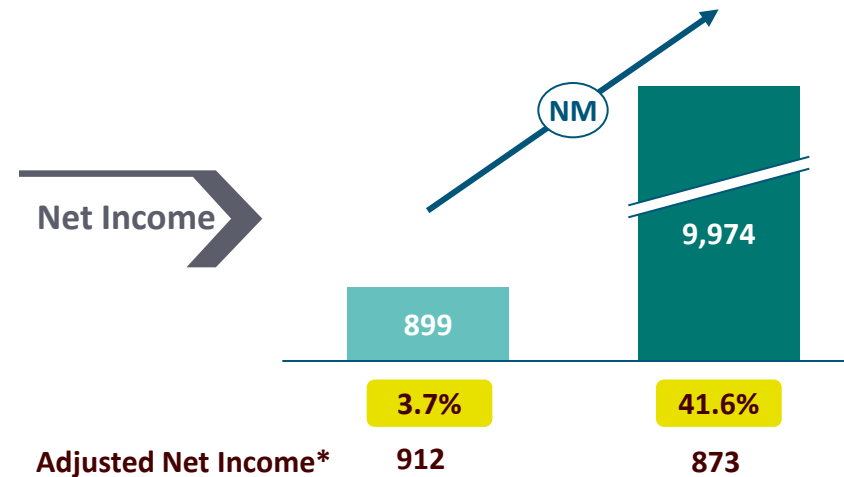
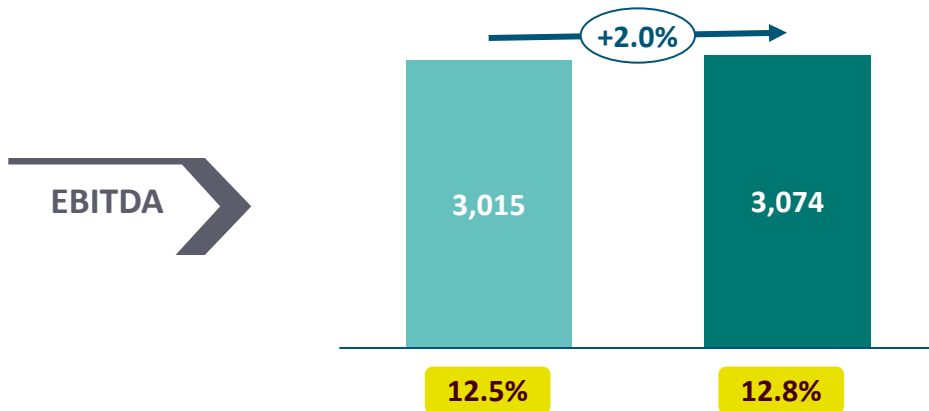
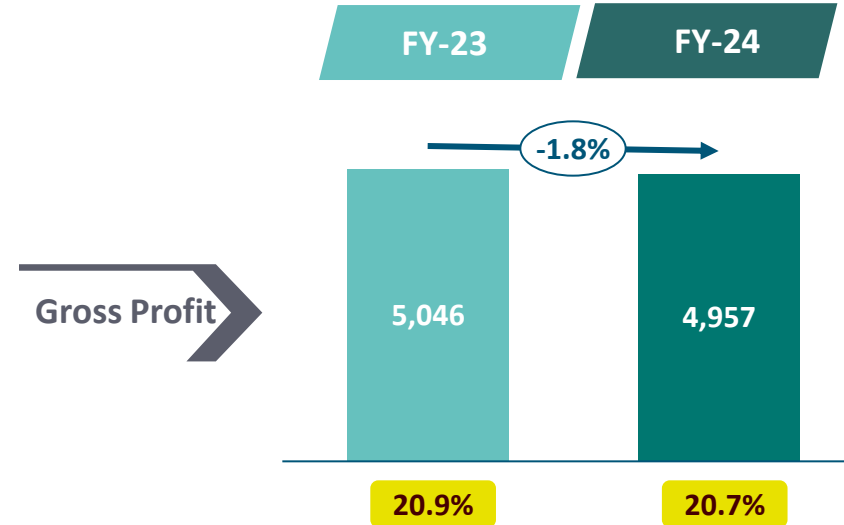
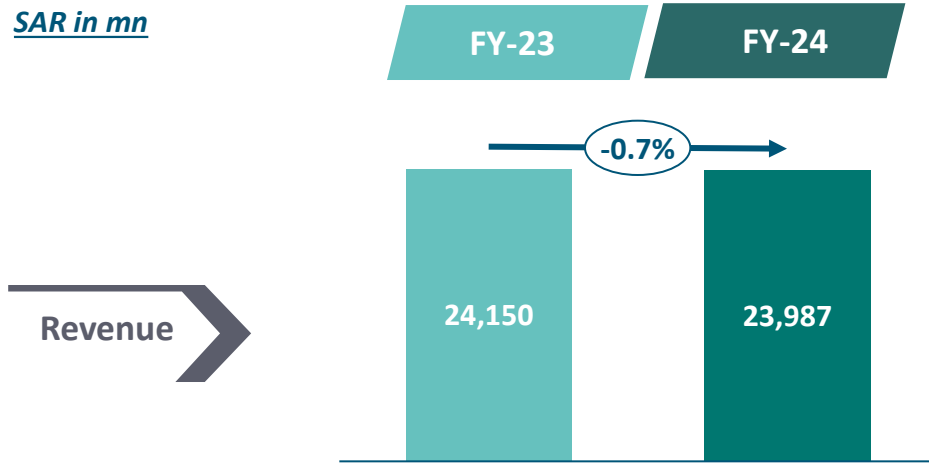


- For FY 2024, Al Kabeer reported **strong top line growth of 6% YoY** due to **improved volumes** in most product categories. However, Net Income declined 6% YoY which is mainly attributed to the higher operating costs and impact of corporate income tax introduced in the UAE
- Al Kabeer also witnessed **growth in both its core markets of KSA and UAE** during 2024
- During 2024, the company continued on the path of new products launches and innovation which also had healthy contribution to the revenues

Savola Group – Reported & Consolidated Financial Highlights

Margin

SAR in mn



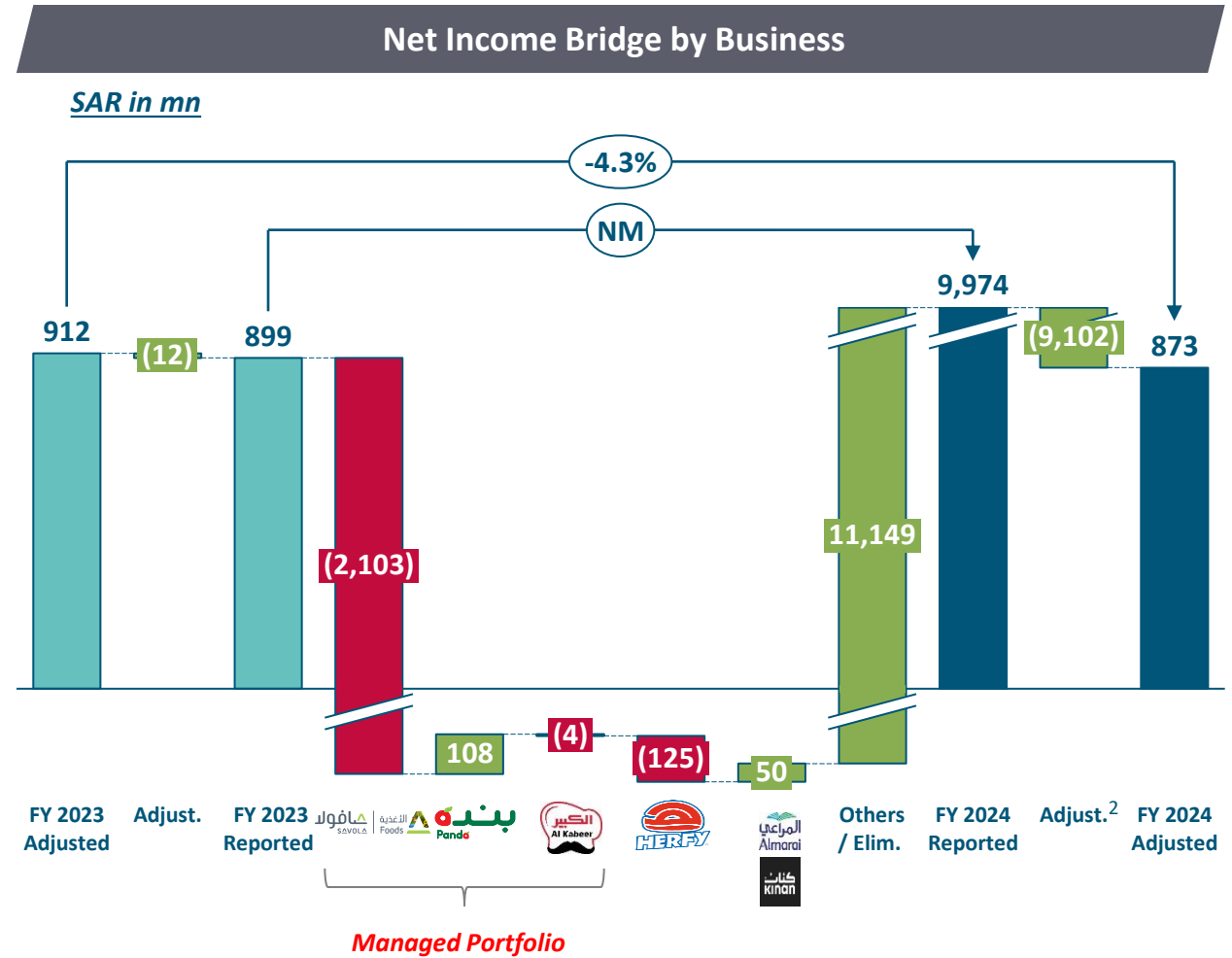
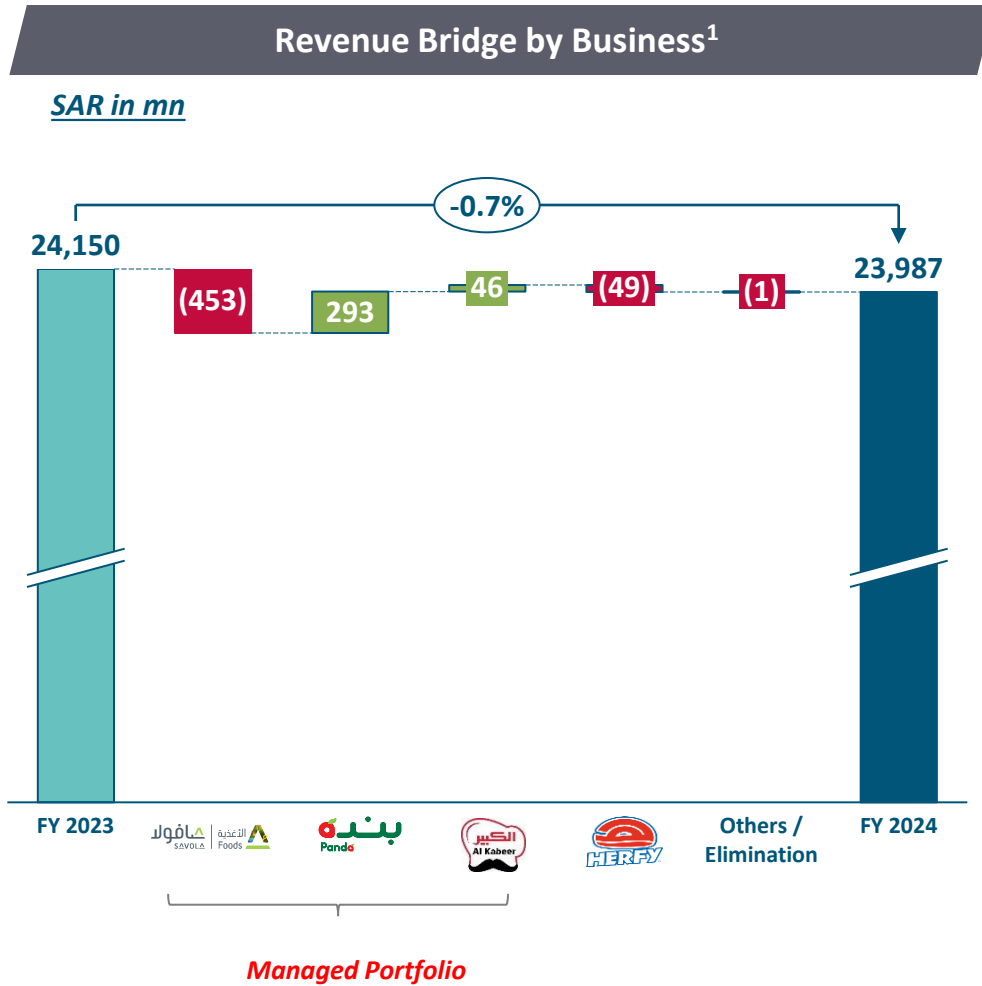
Adjusted Net Income*

912

873

* Adjustments explained in the subsequent slides

Savola Group – Revenue Bridge & Adjusted Net Income Bridge By Business



Note 1: In line with IFRS, reported revenues exclude the results of divested businesses in Iran and discontinued operations in Sudan

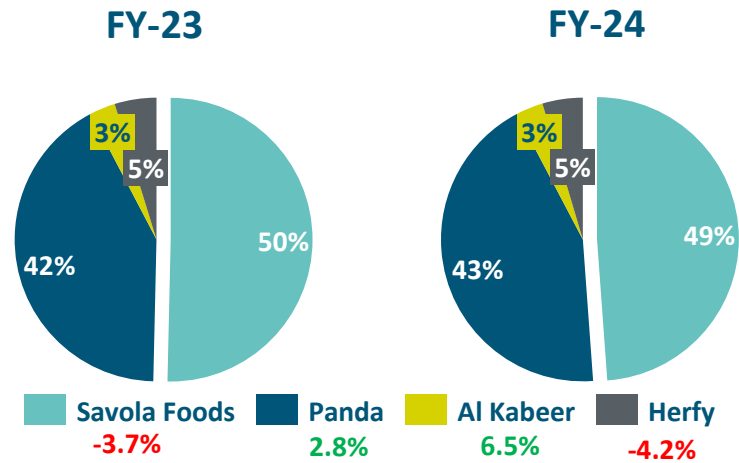
Note 2: Includes net gain from Almarai distribution (SAR 11.3 bn) partially offset by the net impact of Iran Divestment (SAR 1.2 bn), Sudan discontinuation (SAR 0.2 bn) and other impairments & one – offs

Note: numbers are rounded

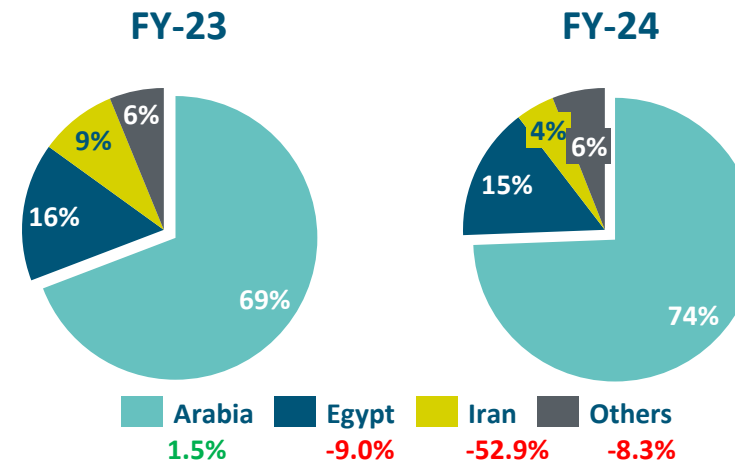
Savola Group – Revenue Mix, Net Debt & Capex

SAR in mn

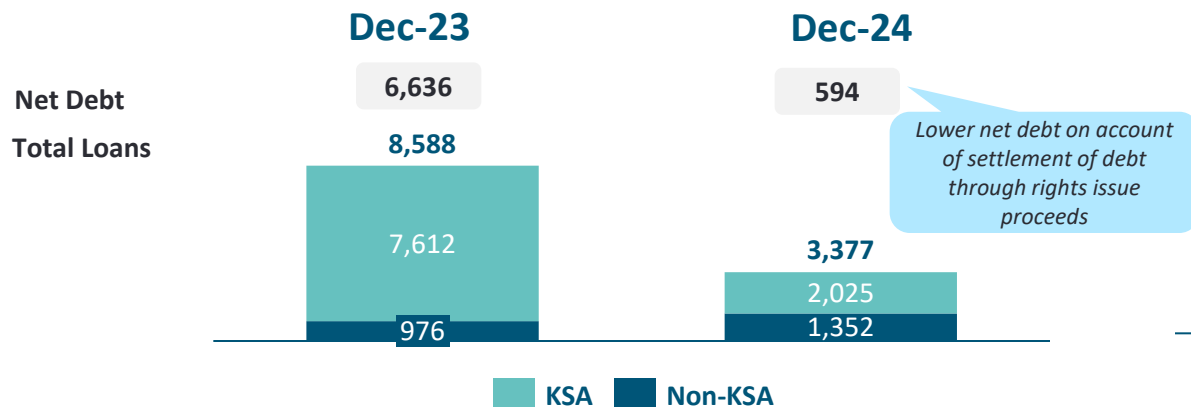
Revenue by Business¹



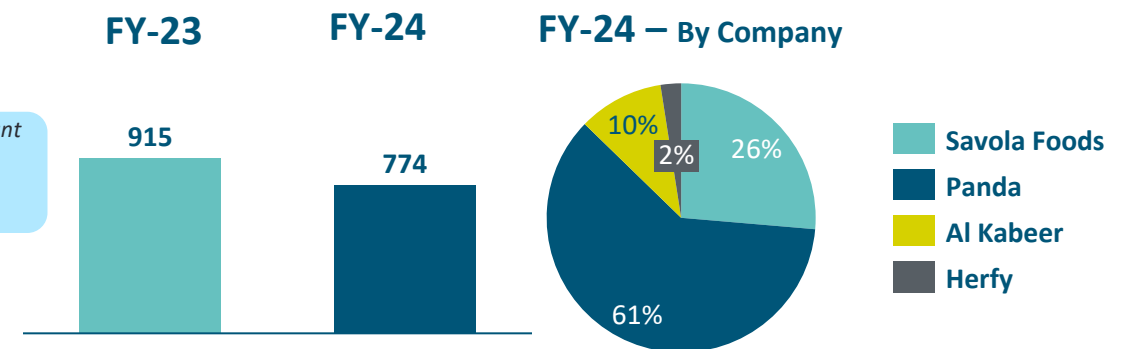
Revenue by Geography²



Loans and Net Debt³



CAPEX

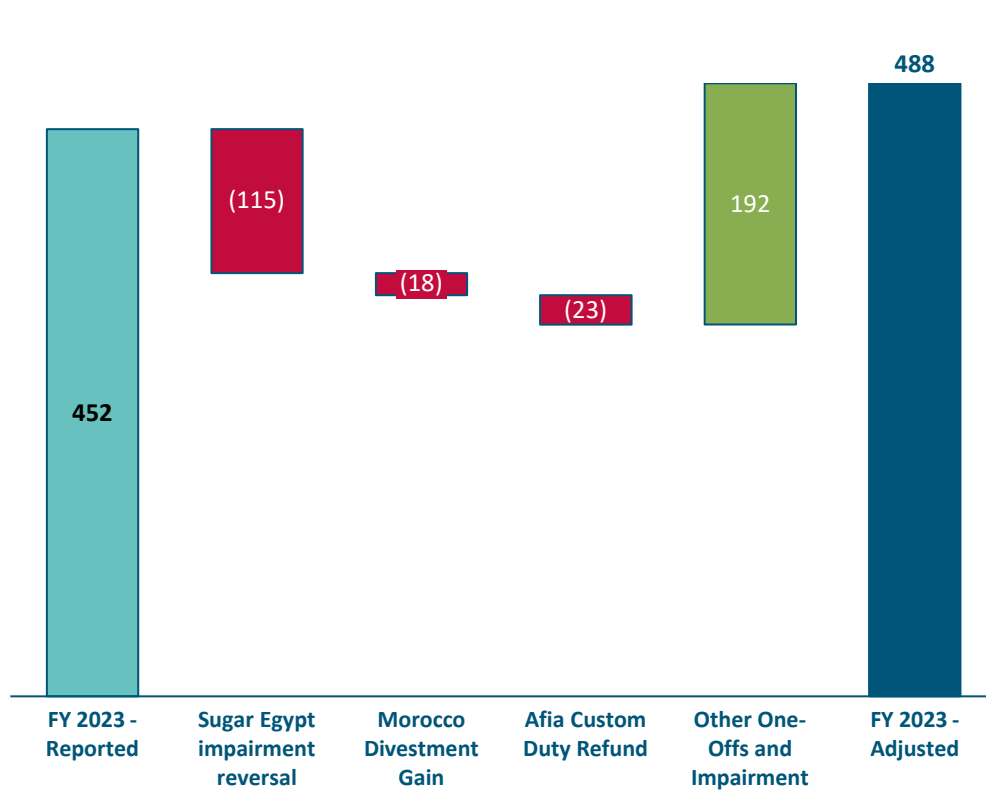


Note 1) Revenue breakdown is based on gross sales
 2) Revenue breakdown is based on gross sales including the discontinued operations of Iran and Sudan
 3) Net debt & Loans excludes accrued financial charges & lease liabilities
 4) Certain comparative amounts have been reclassified to conform with current year presentation

Savola Foods – Reported to Adjusted Net Income

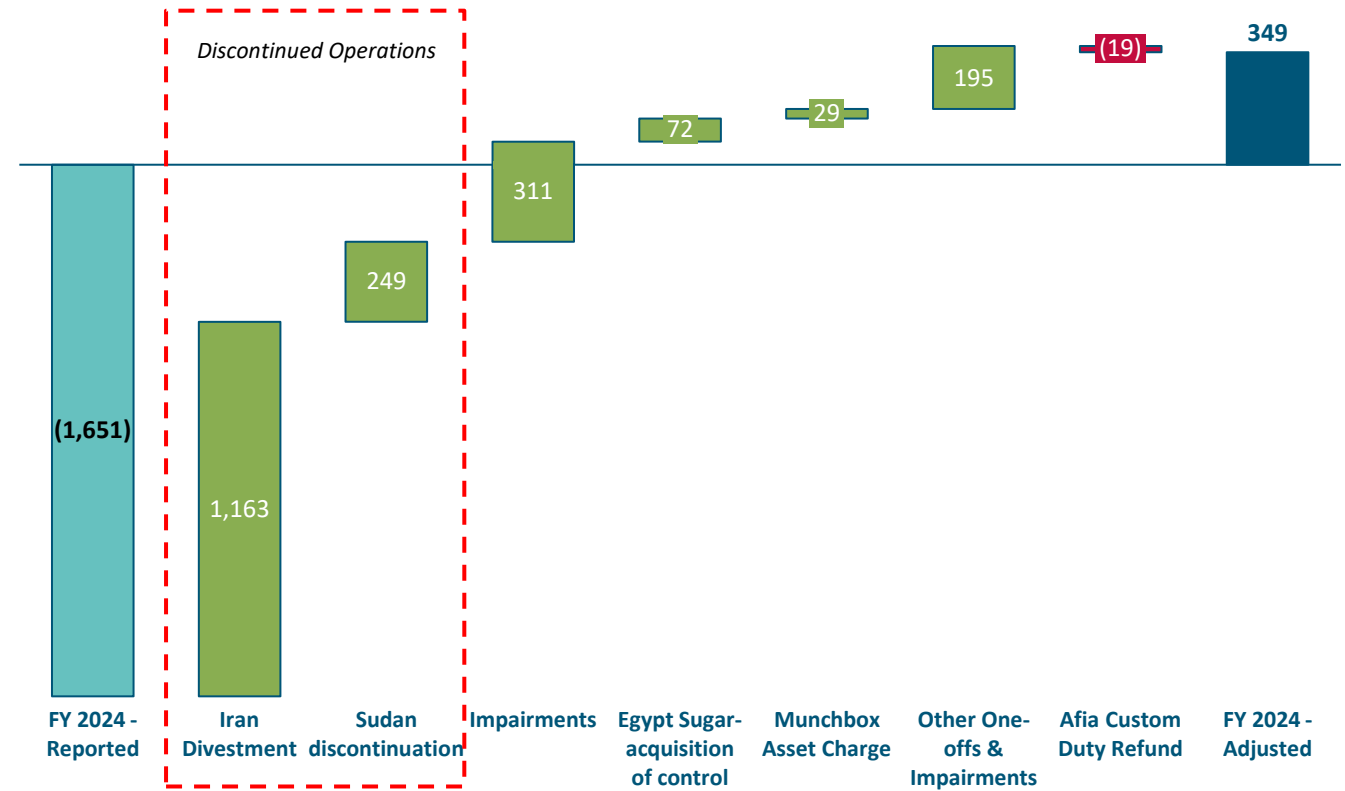
SAR in mn

FY 2023 Net Income



Total Adjustments = SAR 36mn

FY 2024 Net Income

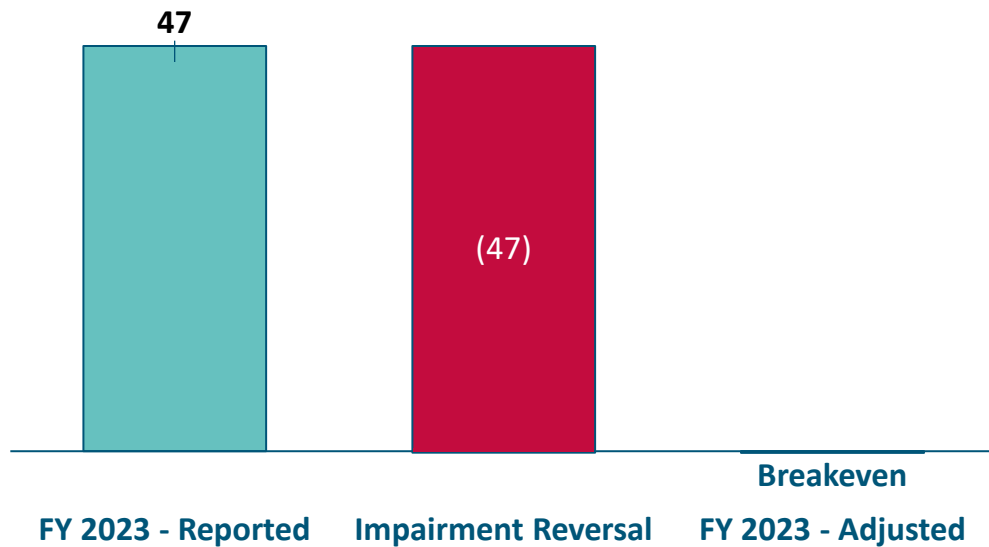


Total Adjustments = SAR 2,000 mn

Panda – Reported to Adjusted Net Income

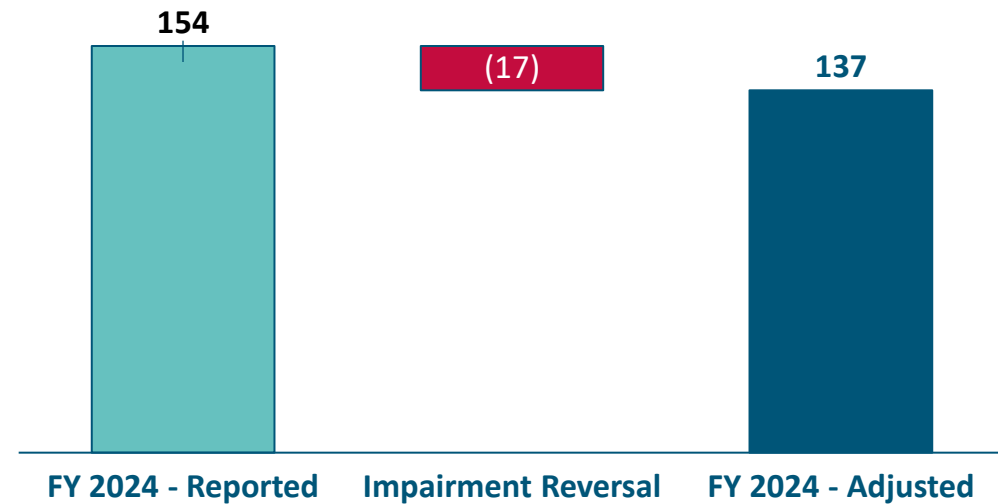
SAR in mn

FY 2023 Net Income



Total Adjustments = SAR 47mn

FY 2024 Net Income



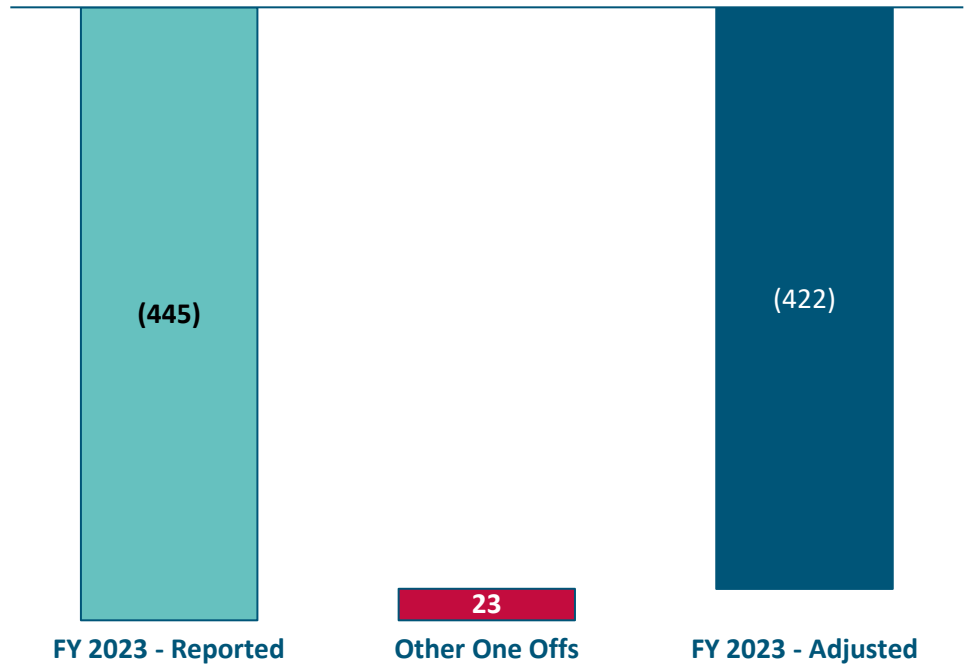
Total Adjustments = SAR 17mn

Savola Group HQ & Other Adjustments

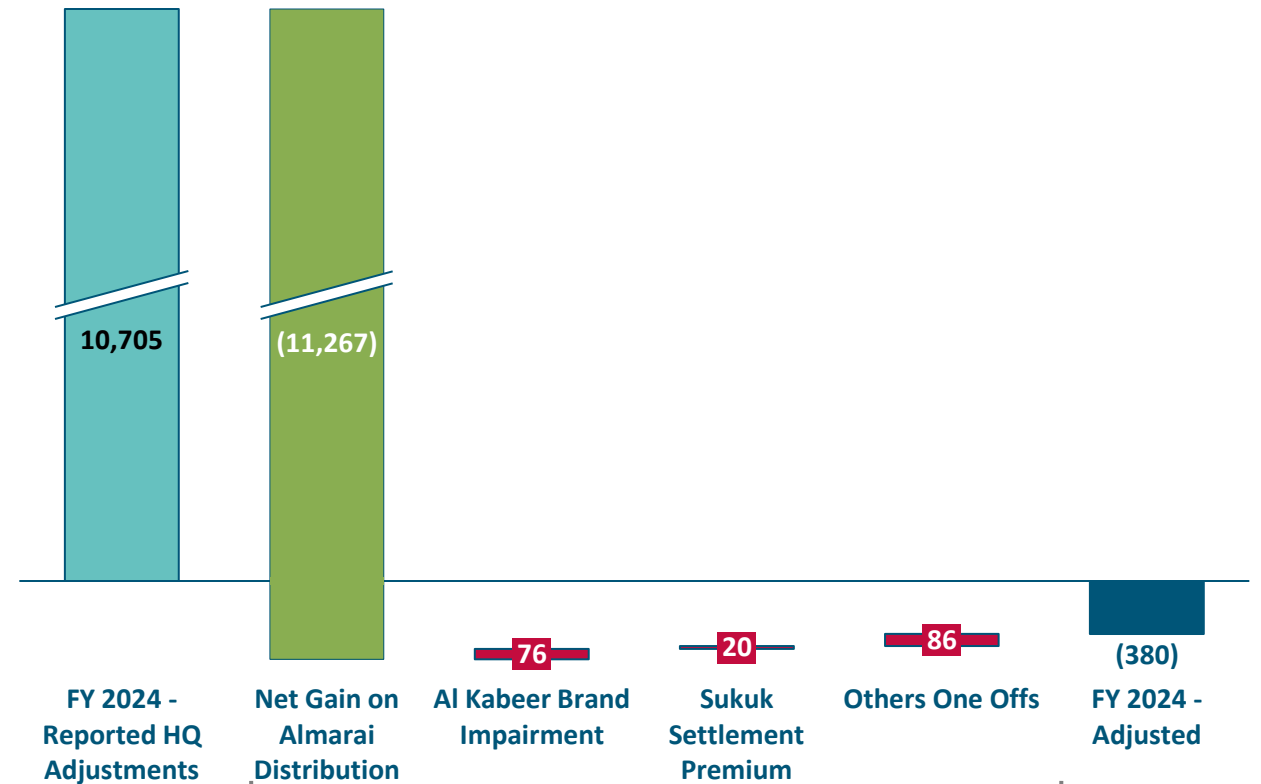
SAR in mn

FY 2023

FY 2024



Total Adjustments = SAR 23mn



Total Adjustments = SAR 11,085 mn

1



Intensify focus on high growth food businesses in MENA

- Strong operational expertise, with solid brands and quality businesses under its umbrella
- Benefits from an operating model underpinned by a robust end-to-end infrastructure network enabling seamless entry into adjacent offerings

2



Prioritize resources to focus on core operating business

- Leverage best-in-class consumer and market understanding coupled with innovation capabilities and balanced geographical footprint for goods manufacturing and distribution to scale the core business

3



Strive for a well-defined capital structure and set priorities for capital allocation

- Invest in the sustained growth of core food and retail businesses, whilst continuing to review strategic options to realize value from portfolio companies that demonstrate attractive distribution and monetization potential

4



Focused M&A to acquire high value food categories and increase market share / solidify market position

- Robust cash flow generating businesses to support future M&A strategy

5



Portfolio Management and Shareholder value optimization

- Continuous portfolio management and assessment & execution of value realization initiatives

Key Focus Areas in 2025



Continuously evaluate and capitalize on value creation opportunities across the entire portfolio through strategic management and optimization



- Refreshed and renewed strategy under “AAA” pillars following the successful implementation of “ABCD” strategy (more on slide 29)



- Maintain leadership and achieve profitable and sustainable growth in core categories (edible oil and sugar)



- Expand B2C assortment and further expand B2B platform under the “Savola Professional”



- Maintain Bayara’s leadership in UAE and grow the newly launched VFM brand under “Shams”. Focus on continuing the growth momentum in KSA.



- Continue allocating capital and focus on growth-oriented markets & investments that are accretive to the portfolio



- Undergoing implementation of new strategy to accelerate growth and performance as Kabeer completes its corporate institutionalization efforts



- Focus on new product launches and accelerate innovation led growth along with stronger consumer engagement



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



- Further expansion of local production in the Saudi market



- Focus on Grocery retail OMNI channel strategy execution
- Target to complete 25+ stores under CXR in 2025



- Expand footprint by 15+ stores in 2025
- Expand the strategic partnerships to accelerate performance



- Continue focus on operational efficiency

Financials Summary – FY 2024

(All figures are in SAR mn)

Segment Wise Financials ¹														
FY 2024							FY 2023							
	Revenue	Gross Profit	EBIT	EBITDA	Net Income	Adjustments	Adjusted Net Income	Revenue	Gross Profit	EBIT	EBITDA	Net Income	Adjustments	Adjusted Net Income
Savola Foods														
Oil														
Arabia ²	2,913	486	98	257	42	(84)	127	3,323	673	361	417	295	23	271
Other Markets ³	4,209	645	374	492	(1,493)	(1,525)	32	4,356	606	325	425	57	(50)	106
Total	7,122	1,131	472	750	(1,450)	(1,609)	159	7,679	1,279	686	842	351	(26)	377
Sugar														
KSA	3,160	203	102	159	73	(16)	89	2,958	213	41	97	27	0	27
Egypt	484	161	152	162	(80)	(131)	51	645	236	347	203	125	65	60
Total	3,644	364	253	322	(7)	(147)	140	3,602	449	388	300	152	65	87
Pasta	528	102	34	61	17	(21)	38	549	71	27	34	15	0	15
Nuts, spices and pulses														
UAE	505	167	19	77	11	(40)	52	449	151	61	77	58	0	58
KSA	118	31	(181)	(24)	(185)	(152)	(33)	75	6	(118)	(39)	(120)	(75)	(45)
Total	623	198	(162)	54	(174)	(193)	19	525	158	(57)	38	(62)	(75)	13
Emerging Categories ⁴	26	0	(30)	2	(36)	(29)	(7)	41	3	1	4	(5)	0	(5)
Total Foods	11,944	1,796	567	1,188	(1,651)	(2,000)	349	12,397	1,959	1,045	1,218	452	(36)	488
Panda														
KSA	10,455	2,664	312	951	149	17	132	10,169	2,526	234	772	42	47	(4)
Egypt	169	34	9	15	5	-	5	162	32	8	16	4	-	4
Total Retail	10,625	2,698	321	966	154	17	137	10,331	2,558	241	788	47	47	(0)
Herfy	1,125	217	(67)	109	(117)	0	(117)	1,174	284	43	218	8	-	8
Al Kabeer	760	265	76	93	66	-	66	714	249	77	89	70	-	70
Share of profit from associates	-	-	817	817	817	-	817	-	-	768	768	768	-	768
HQ/Elimination/Impairments	(467)	(19)	(260)	(100)	10,705	11,085	(380)	(466)	(4)	(112)	(66)	(445)	(23)	(422)
Total	23,987	4,957	1,455	3,074	9,974	9,102	873	24,150	5,046	2,062	3,015	899	(12)	912

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

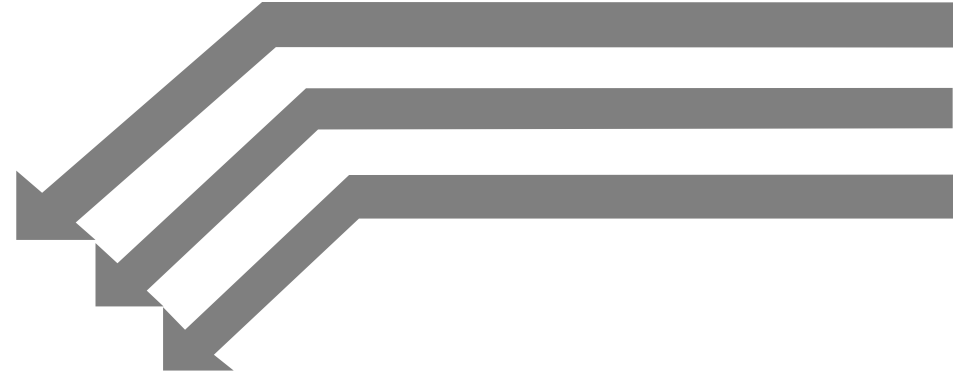
² Arabia includes GCC and Levant

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

⁴ Includes seafood

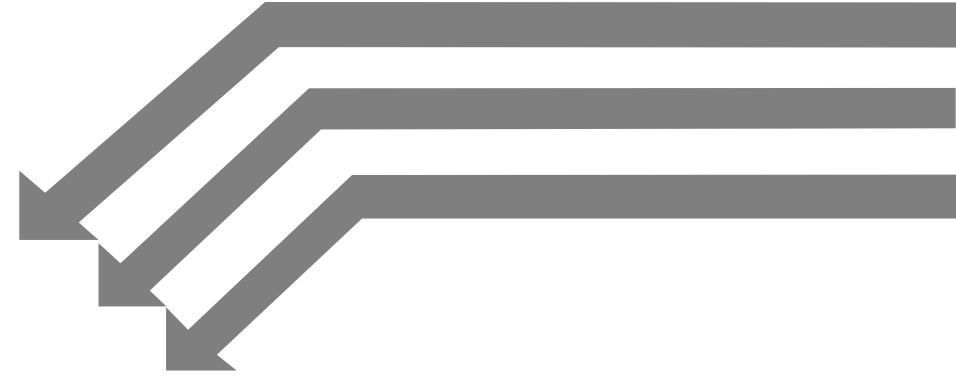
⁵ Certain comparative amount have been reclassified to conform with current year presentation

Q&A



سافولا
SAVOLA

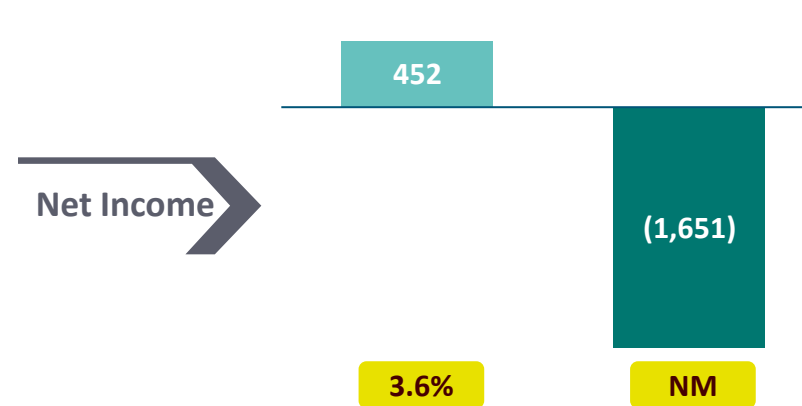
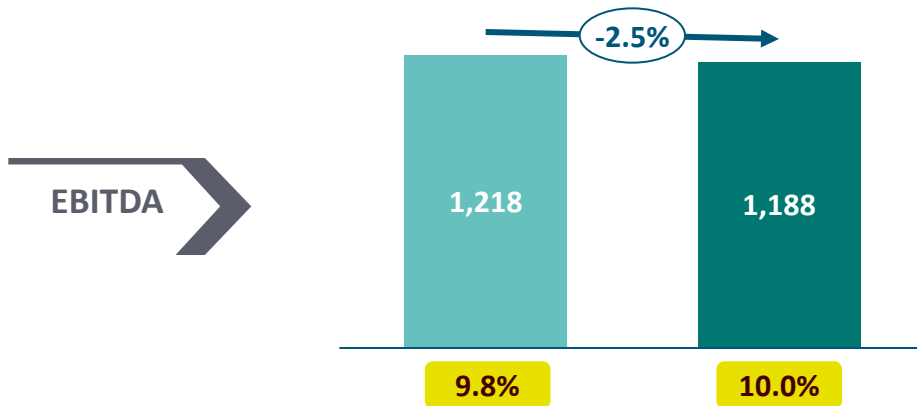
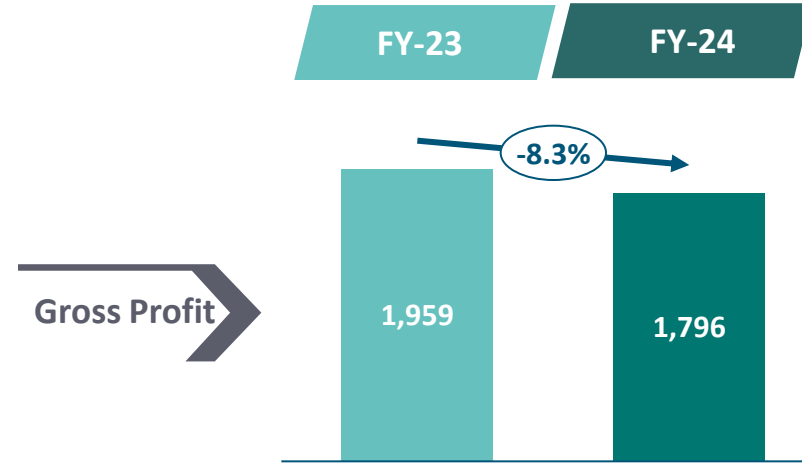
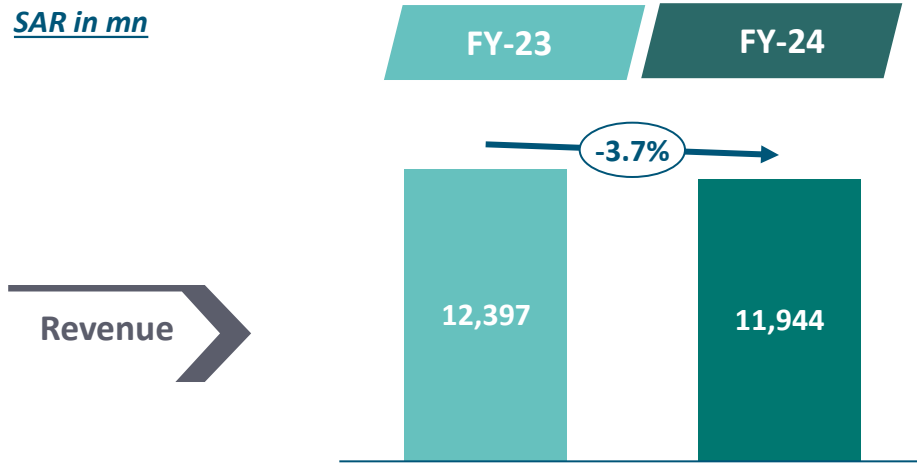
Savola Foods Company



Savola Foods – Reported & Consolidated Financial Highlights

Margin

SAR in mn



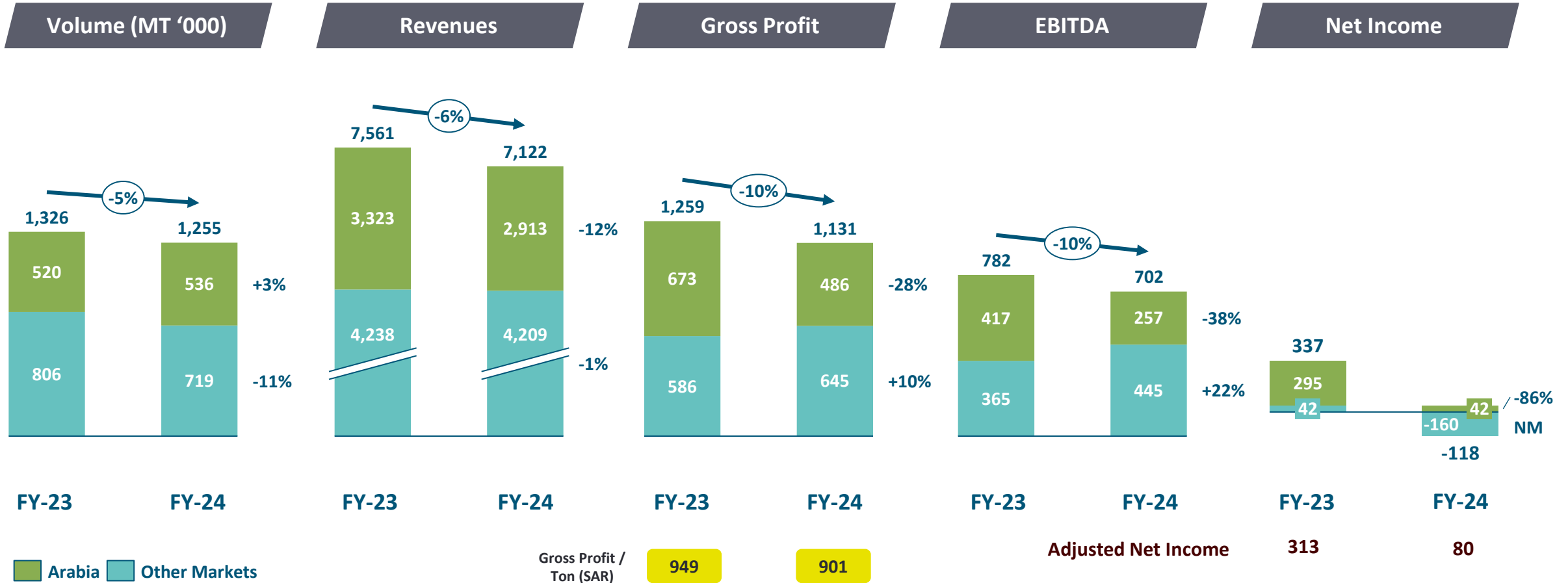
Adjusted Net Income* **488** **349**

* Details provided on slide 8

Note: numbers are rounded

Savola Foods – Oil Segment Analysis

SAR in mn

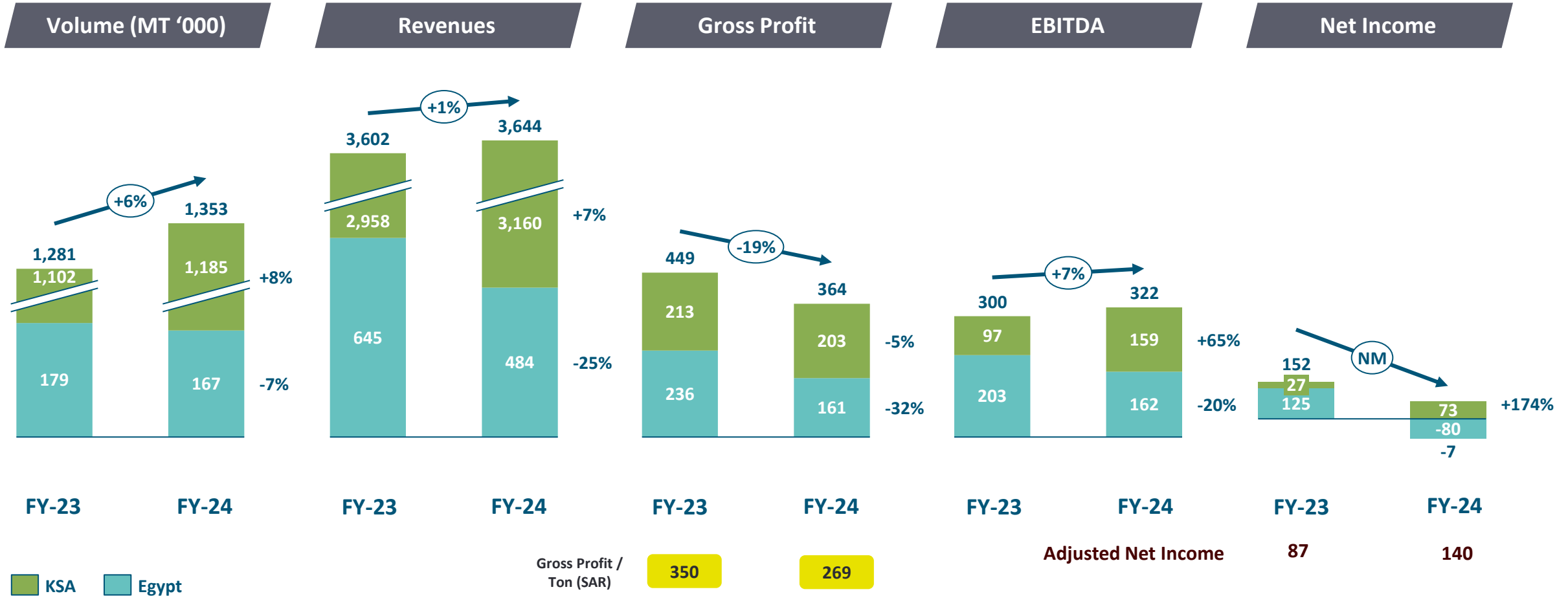


Note:

- 1) Certain comparative amounts have been reclassified to conform with current year presentation
- 2) Arabia represents GCC and Levant
- 3) Other markets exclude Iran, Morocco and Sudan
- 4) All % above refer to growth numbers

Savola Foods – Sugar Segment Analysis

SAR in mn



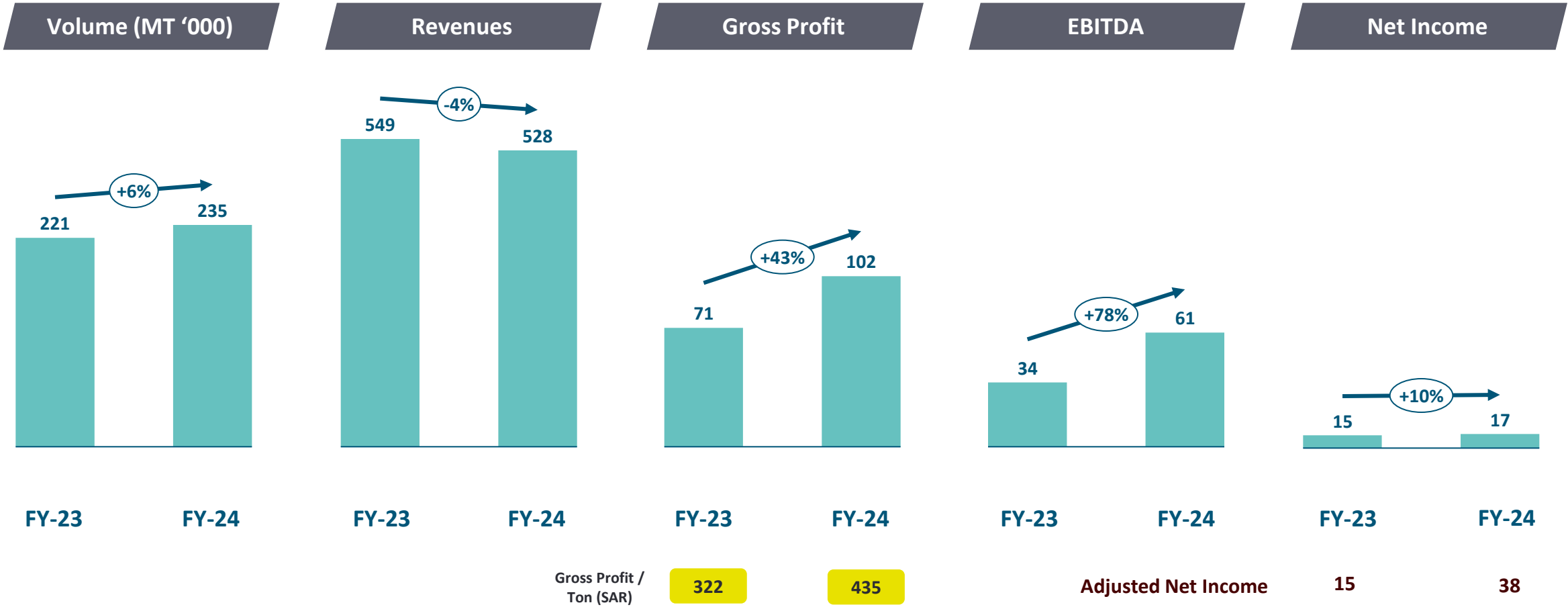
Note:

- 1) Certain comparative amounts have been reclassified to conform with current year presentation
- 2) All % above refer to growth numbers

Note: numbers are rounded

Savola Foods – Pasta Segment Analysis

SAR in mn



Savola Foods – Nuts, Spices And Pulses Segment Analysis

SAR in mn

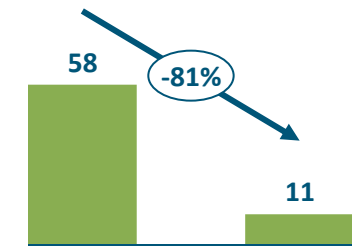
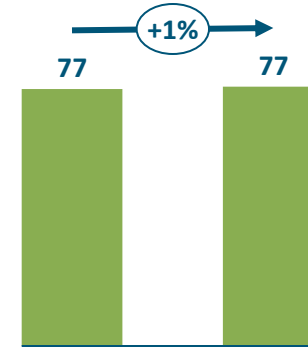
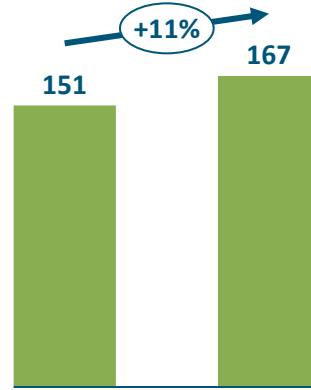
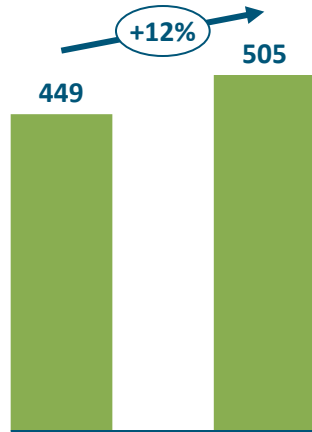
Revenues

Gross Profit

EBITDA

Net Income

UAE

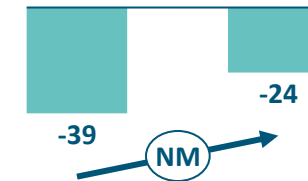
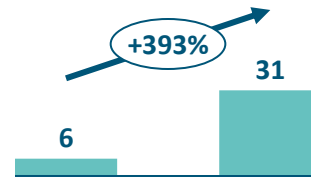
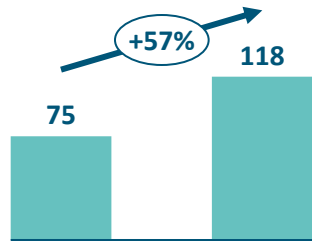


Adjusted Net Income

58 52

KSA

(Relaunch Segment)



Adjusted Net Income

-45 -33

FY-23

FY-24

FY-23

FY-24

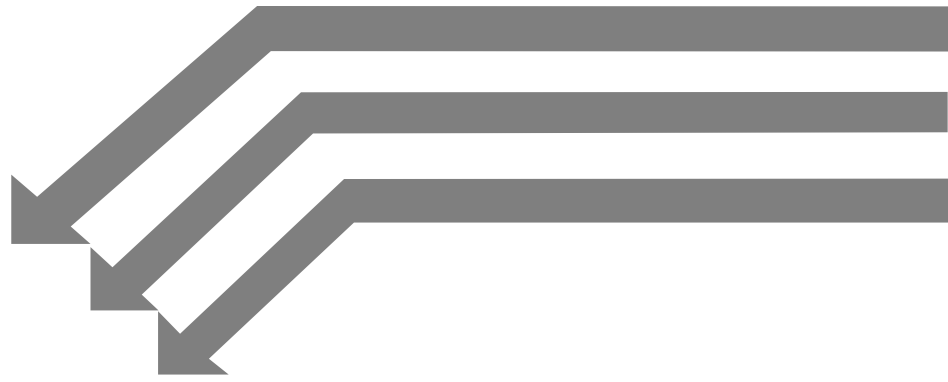
FY-23

FY-24

FY-23

FY-24

Panda Retail Company

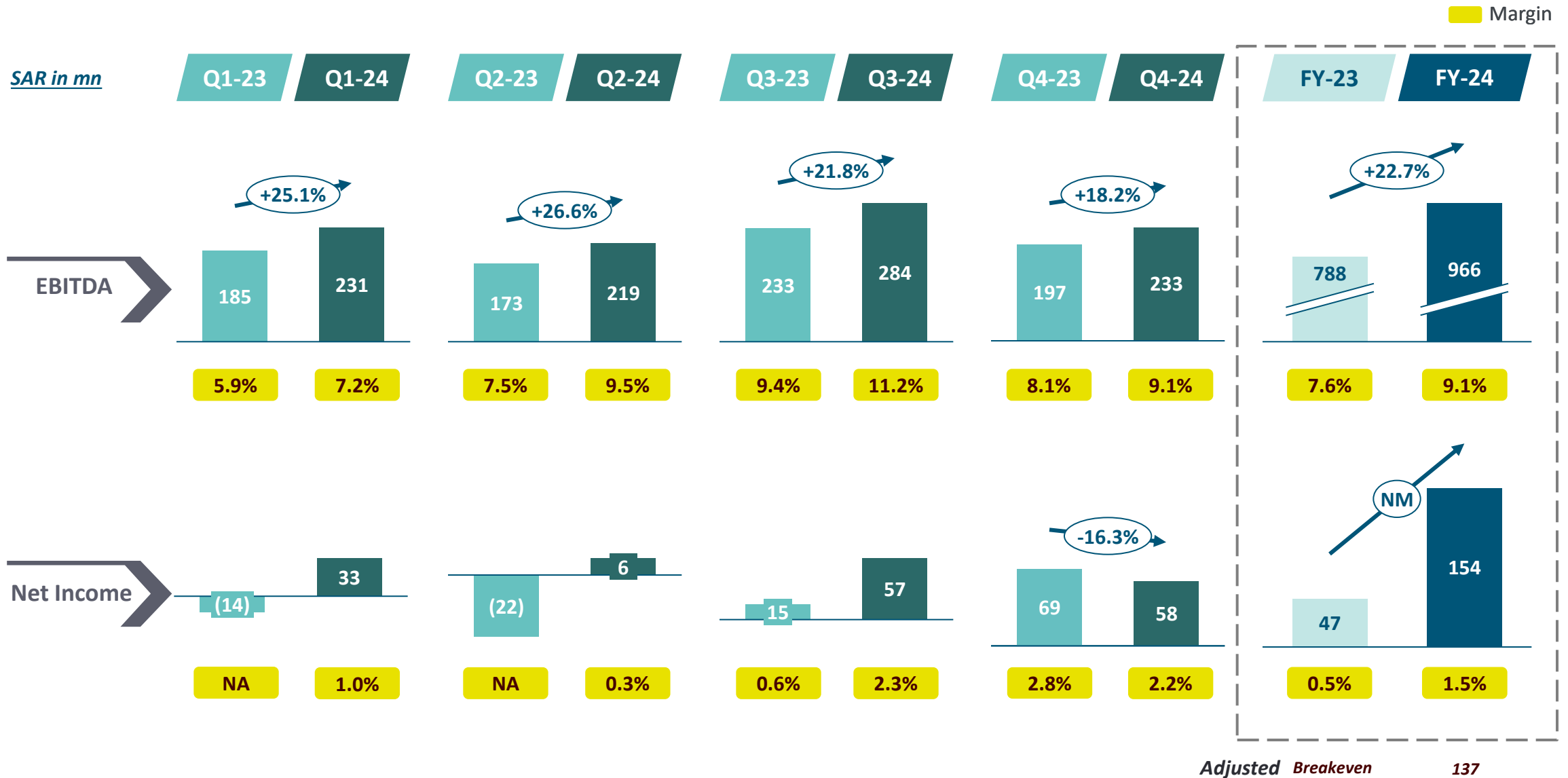


Panda – Reported & Consolidated Financial Highlights



Note: numbers are rounded

Panda – Reported & Consolidated Financial Highlights

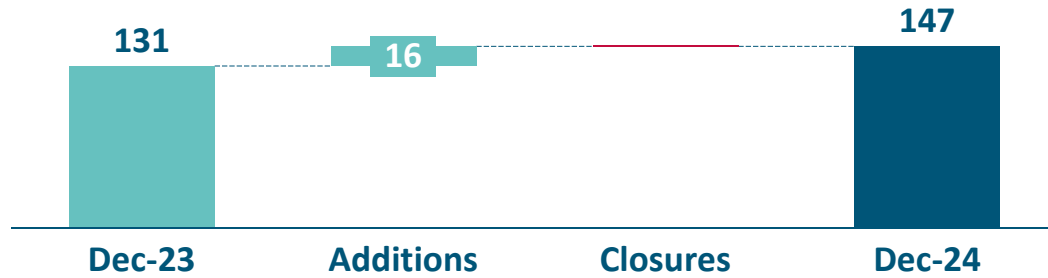


Note:
Adjusted FY 2023 and FY 2024 adjusted net income excludes one-off related to reversals of impairment

Note: numbers are rounded

Panda – Number of Stores

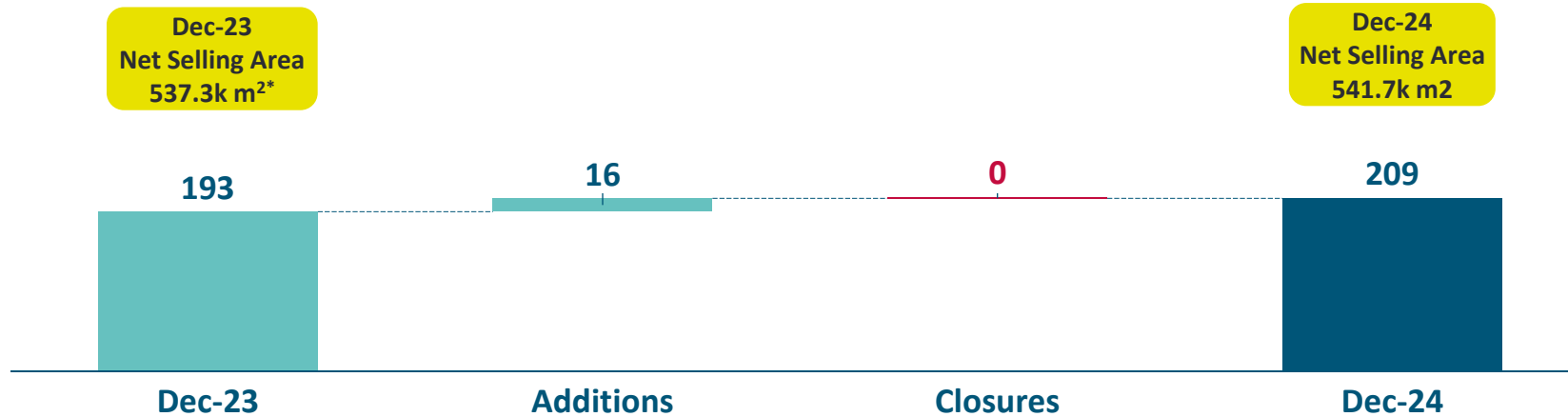
Super



Hyper



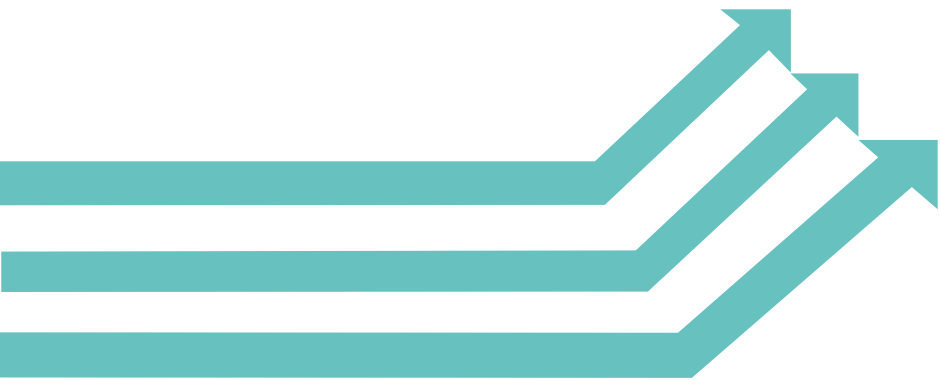
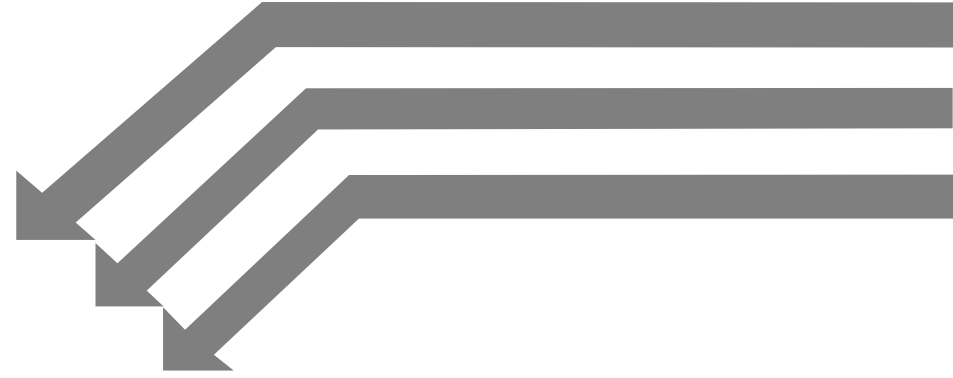
Total



- 15 new stores in KSA and 1 new store in Egypt during FY 2024
- Total store count: 203 stores in KSA and 6 in Egypt

Note:
203 Stores KSA and 6 in Egypt
Certain stores resized during 2024

Al Kabeer



Al Kabeer – Reported & Consolidated Financial Highlights



Margin



Note: numbers are rounded

Al Kabeer – Reported & Consolidated Financial Highlights

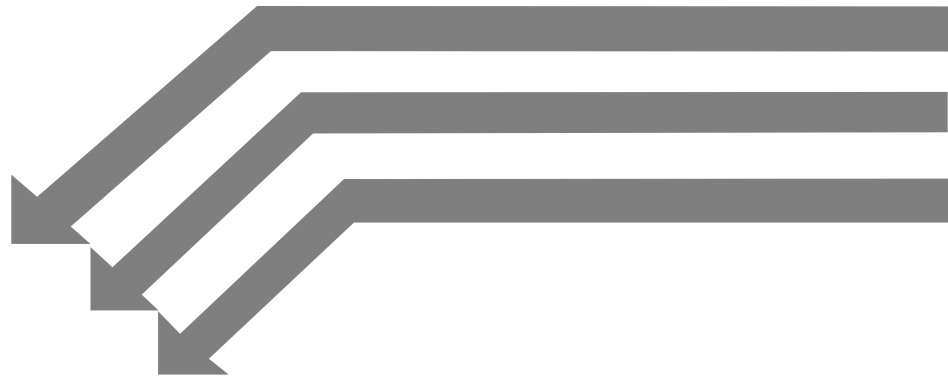


Margin



Note: numbers are rounded

Savola Group – Way Forward



Savola Foods Company – Refreshed Strategy as business needs and strategic intent evolved




“ABCD” Strategy

2019 - 2024

	<p>ANCHOR HOW WE GROW</p>		<p>BET HOW WE DIVERSIFY</p>
<p>Example: Transforming “Afia”</p>		<p>Example: Investment/ acquisition of “Munchbox”</p>	
	<p>CONQUER HOW WE INGRESS</p>		<p>DISRUPT HOW WE TRANSFORM</p>
<p>Example: Acquired “Bayara”</p>		<p>Example: Launch of “Savola Professional”</p>	

“AAA” Strategy

2025 & ONWARDS

 <p>Accelerate</p>	 <p>Acquire</p>	 <p>Advance</p>
<p><i>Accelerate profitable and sustainable growth in core business. Expand B2B and B2C</i></p>	<p><i>Acquire new businesses and capabilities. Enter strategic alliances to strengthen its core business</i></p>	<p><i>Advance the business model. Accelerate digital transformation</i></p>



Strengthen market leadership in targeted segments by delivering unmatched value for money and outstanding customer experience

Core Retail Excellence

- Keep strategic focus on grocery retail to fuel growth and sustain profitable growth by continuing to be the nation-wide grocery Modern Trade market leader in KSA

Strong Omnichannel Presence

- Successfully execute on Online grocery retailing under 1) Ocado partnership (eComm) and other partnerships (qComm) etc.

Footprint Optimization and Expansion

- Continue CXR across the footprint
- Hyper remodeling to improve space utilization
- Increase real estate footprint efficiency and capability to improve our customer's journey

Retail Media Networks

- Capitalize on Panda's data monetization capabilities and unlock real potential via marketing and services tools that serves both our customers and suppliers.

Fuel growth by focusing on Grocery retail OMNI channel and sustain its profitability momentum

Optimize profit drivers to elevate the core retail by enhancing efficiency and long-term upside potential

Al Kabeer - In last few years, the company has institutionalized, redefined its identity and continued to implement strategic measures for a sustained future growth



Institutionalization

- Undertook a thorough institutionalization within the company strengthening various corporate functions
- A new CEO was appointed in 2022 to lead new phase of growth in the company



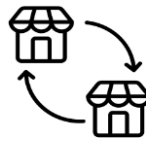
Brand Revamp

- Al Kabeer” undertook brand rediscovery exercise in 2023 amid changing consumer preferences and intensified competition
- New refreshed “Al Kabeer” logo was launched along with repackaging design of products



New Product Development

- In line with its innovation-driven strategy, several new products launched catering to newer taste profiles
- E.g. Zing Chicken - Siracha Flavor, Smoked Buffalo, Non-Spicy, seafood products etc.



Al Kabeer Professional / new channels

- Launched “Al Kabeer Professional” in 2023 to capitalize on B2B and HORECA growth.
- E-com channel is also now developing rapidly

Brand Revamp and New Logo Launched in Nov 2023

New Logo



New Packaging



New Product Innovations & Launches



Zing Chicken Strips Non-Spicy



Zing Chicken Strips Siracha Flavor



New Seafood Products



Thank you