

# Savola Group

Earnings Presentation | Q1 2024  
Date: 14 May 2024

[www.savola.com](http://www.savola.com)



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# Savola Group – Q1 2024 Highlights

## ***Strong Group Performance Continues***

<b>Strong Group Performance</b>	Savola Group reported another set of strong financial results in Q1'24, driven by continuous improvement in Panda's results and strong operating performance of Savola Foods
<b>Panda's Profitability Path Continues</b>	Panda's positive momentum continues with Net Income of SAR 33mn in Q1'24 compared to loss of SAR 14mn last year, primarily driven by sales growth from CXR stores, new stores opened in Q4'23 and improved gross margins
<b>Savola Foods' Resilient Performance</b>	Savola Foods reported strong operating performance on the back of increased contribution margin, better B2B offerings and better results in the KSA sugar segment in Q1'24, despite certain macro challenges in non GCC markets

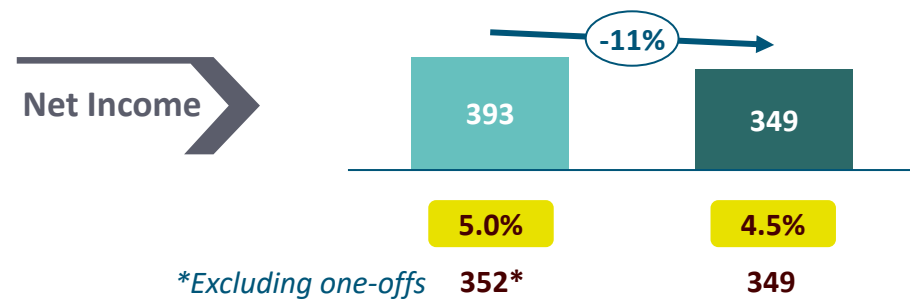
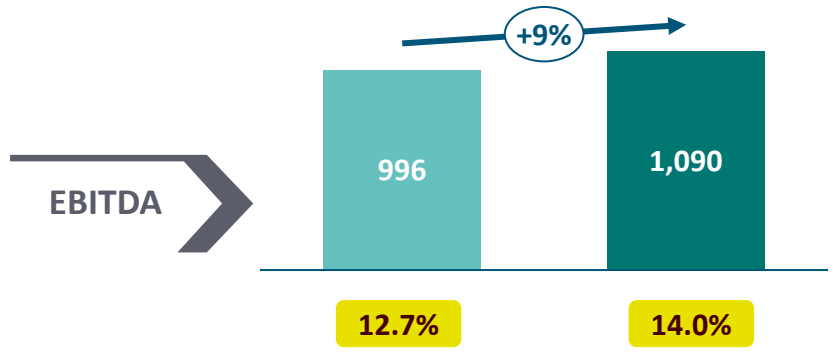
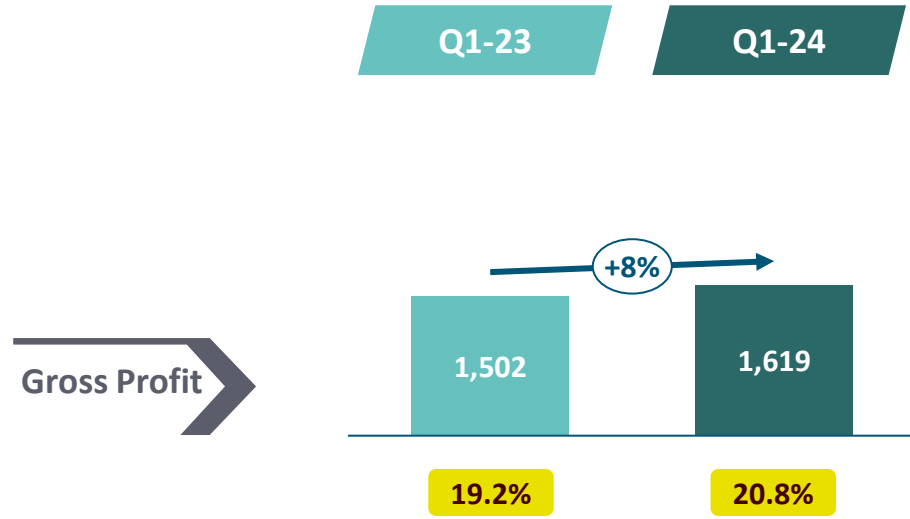
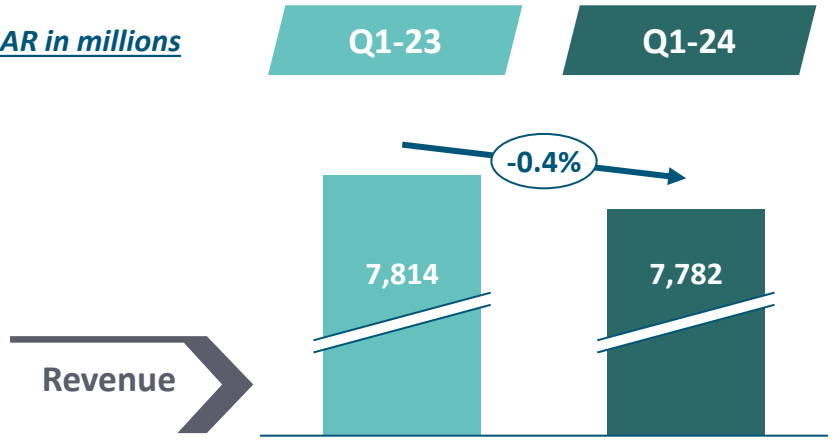
## ***Stable Profitability***

<b>Gross Profit</b>	Group's Gross Profit reached SAR 1.6bn, 8% higher than LY. Gross Profit increased by SAR 117mn due to improved margins in Savola Foods and Panda
<b>EBITDA</b>	The Group recorded EBITDA of SAR 1.1bn compared to SAR 996mn last year
<b>Net Income</b>	Net Income for Q1'24 is SAR 349mn compared to SAR 393mn last year. The drop is the result of higher financial charges including FX losses, partially offset by strong performance from Panda. Pertinent to note that Q1'23 also had a positive one-off of SAR 41mn

# Savola Group – Consolidated Financial Highlights

Margin

*SAR in millions*

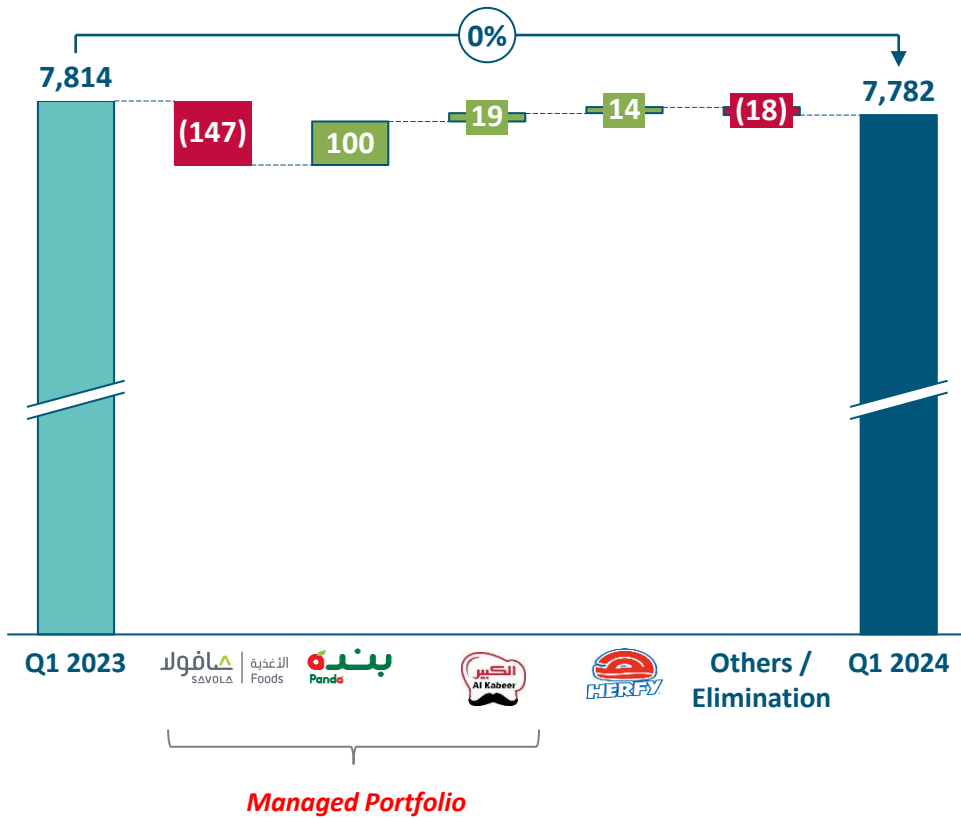


\* Q1'23 adjusted net income excludes one-offs related to gain on Morocco exit and custom duty refund

# Savola Group – Q1 2024 Revenue & Net Income Bridge By Business

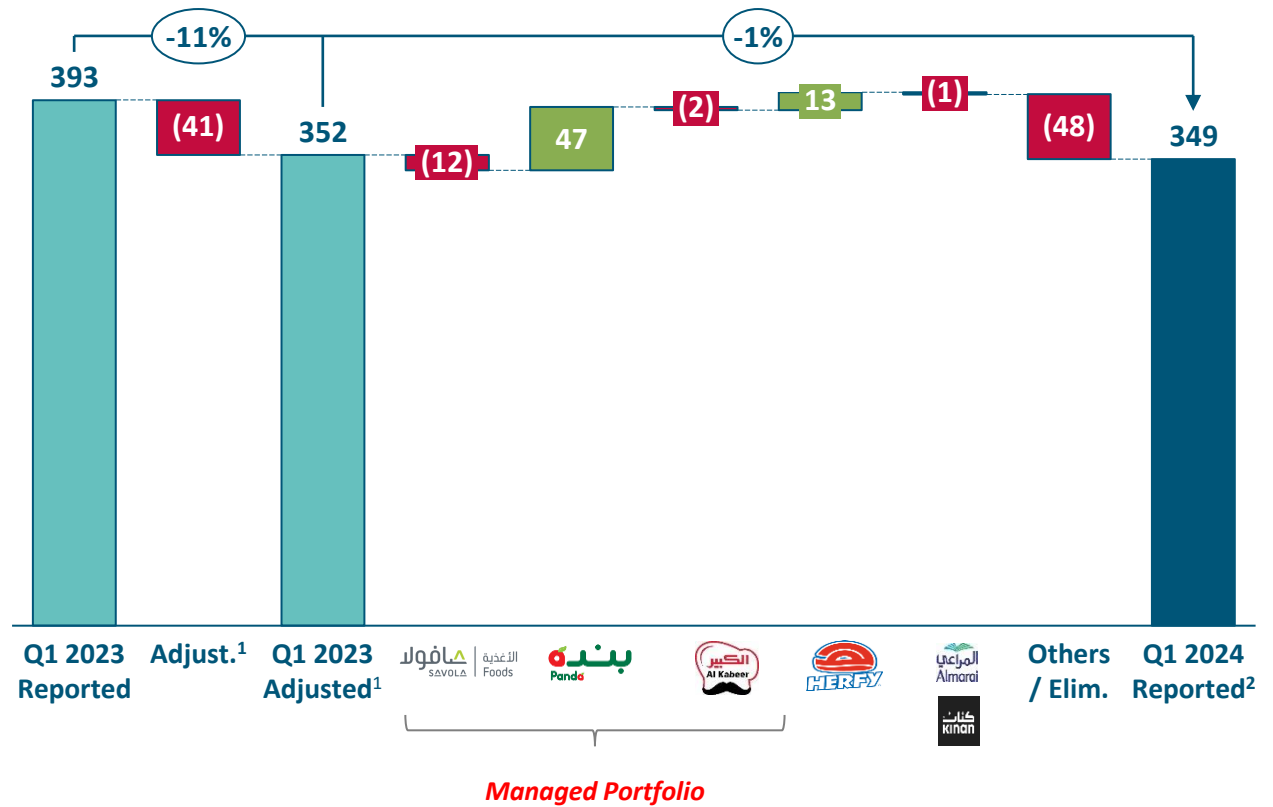
## Revenue Bridge by Business

SAR in millions



## Net Income Bridge by Business

SAR in millions

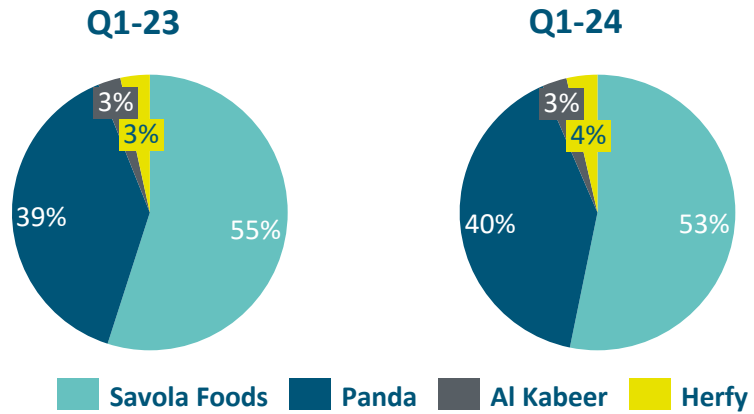


Note 1: Q1'23 adjusted net income excludes one-offs related to Savola Foods on account of gain on Morocco exit and custom duty refund  
 Note 2: There were no one off adjustments during Q1'24, hence there is no difference between reported and adjusted net income for this period

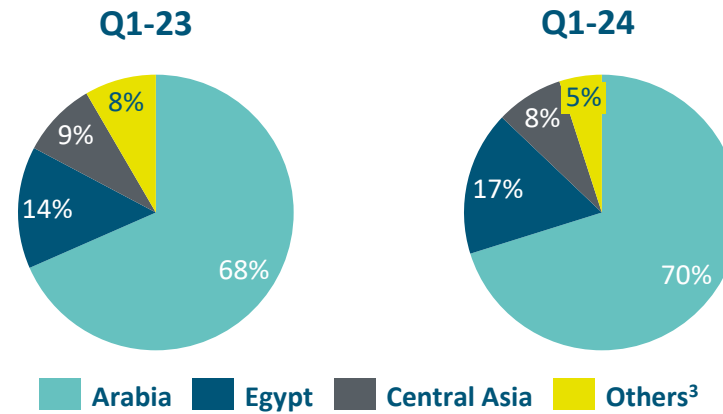
Note: numbers are rounded

# Savola Group – Revenue Mix, Net Debt & Capex

### Revenue by Business<sup>1</sup>



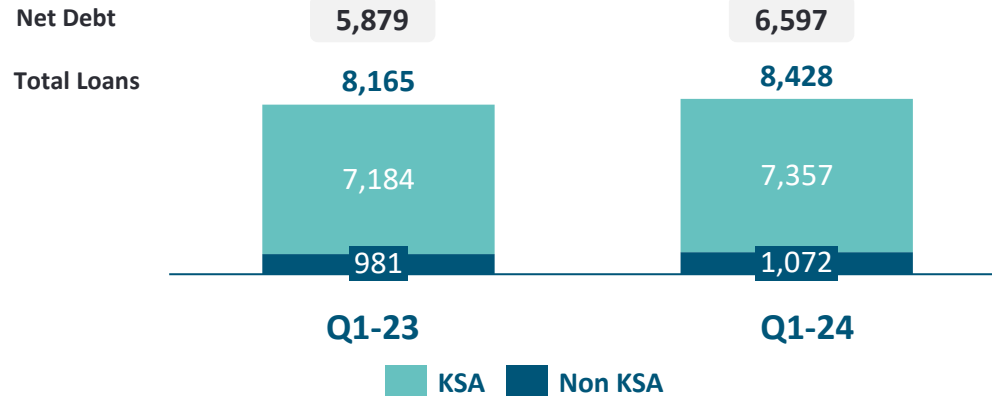
### Revenue by Geography



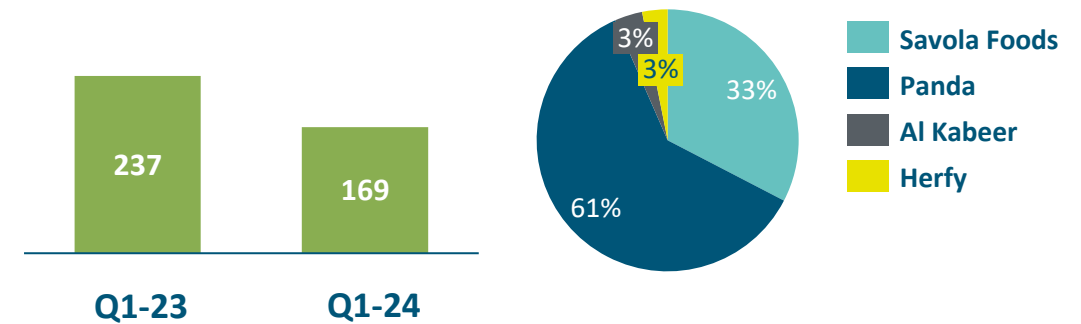
YoY Growth: Savola Foods **-3.3%**, Panda **+3.2%**, Al Kabeer **+8.9%**, Herfy **+5.1%**

### Loans and Net Debt<sup>2</sup>

SAR in millions



### CAPEX



Note 1) Revenue by business % is based on net revenue before eliminations

2) Net debt excludes lease liabilities

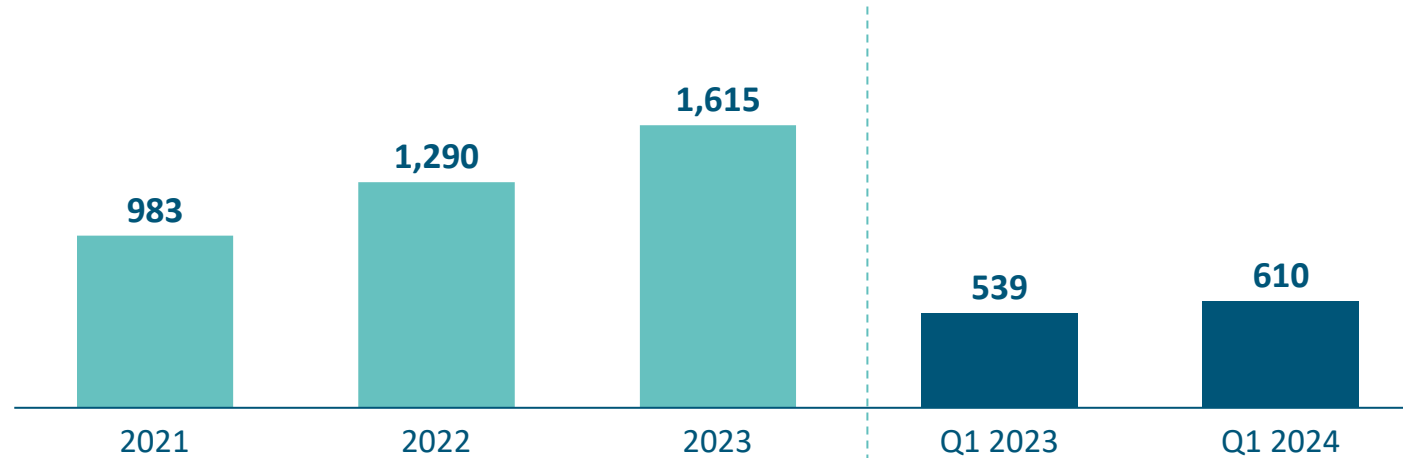
3) Others declined due to loss of revenue from temporary suspension of operations in Sudan and loss of revenue that had been generated from Morocco prior to its exit during Q1'23

# Savola Group - Core Portfolio EBITDA Trend

Savola Group's core portfolio of Foods and Retail has demonstrated growth momentum despite various headwinds

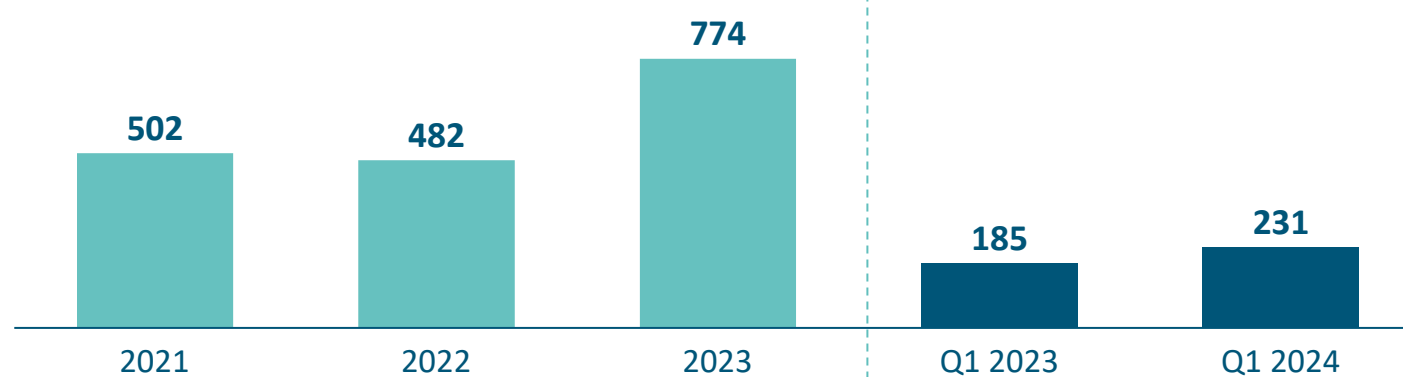
SAR in millions

**Foods<sup>1</sup>**

- Strong EBITDA growth over the years
- Performance hinged on strengthening its core businesses along with expansion in new categories

**Retail**

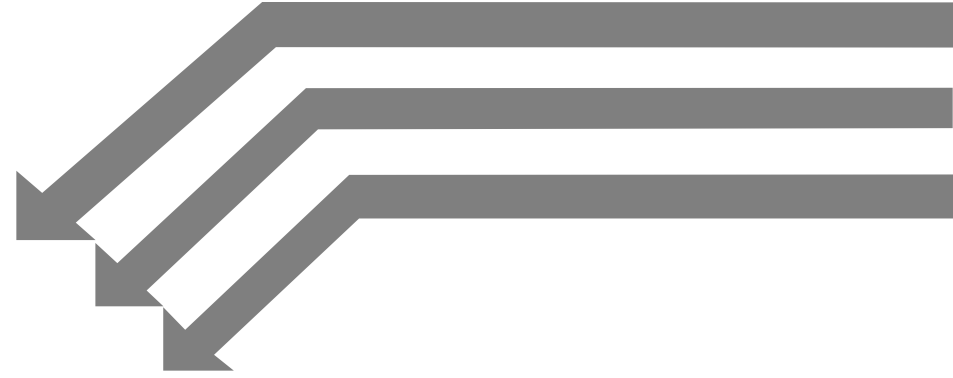



- Recent performance demonstrates Panda's journey from turnaround to transformation

Note: 1) Savola Foods numbers excludes Sudan and Morocco

2) Comparative amounts have been reclassified to conform with current year presentation

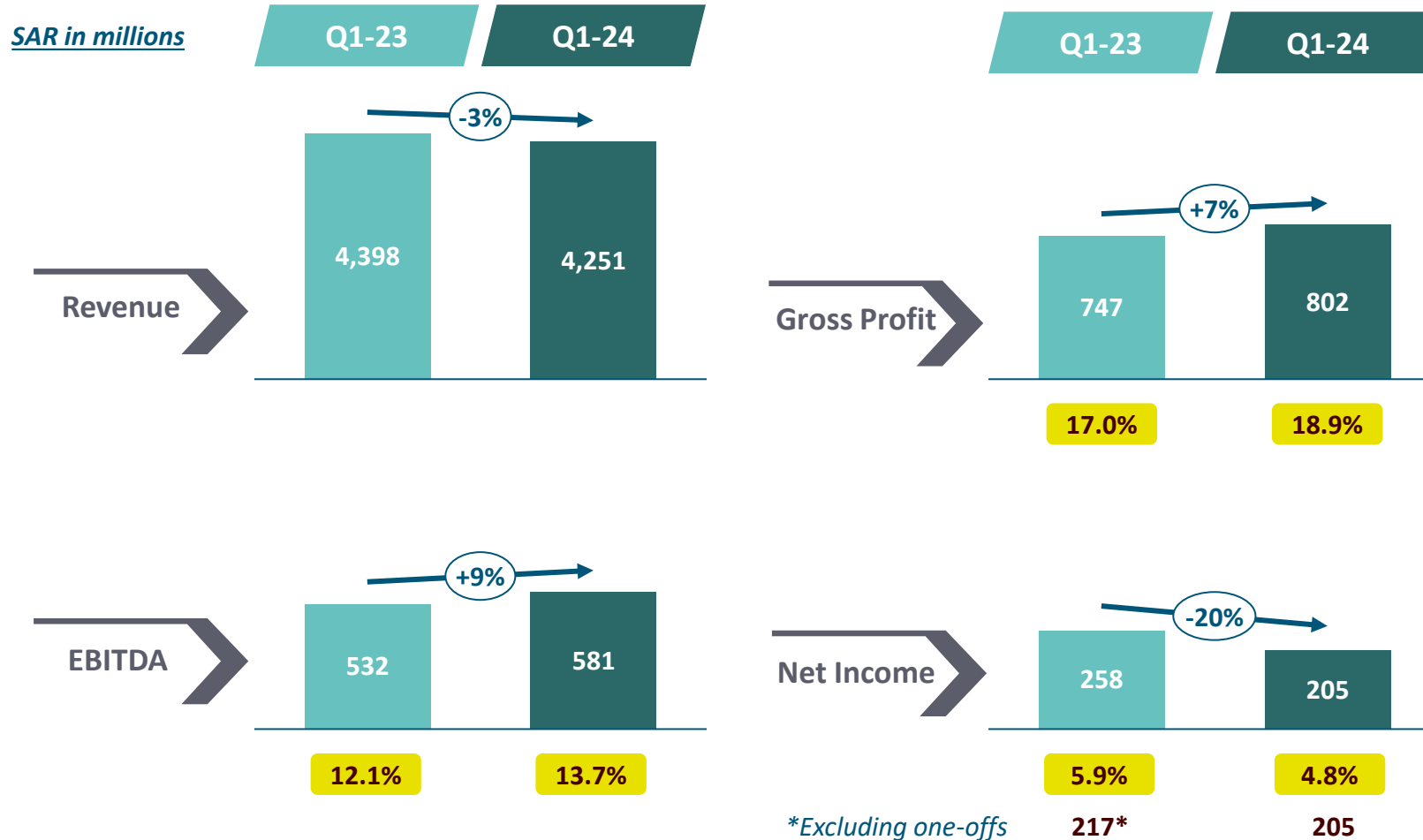
## Savola Foods Company





# Savola Foods – Financial Highlights

Margin

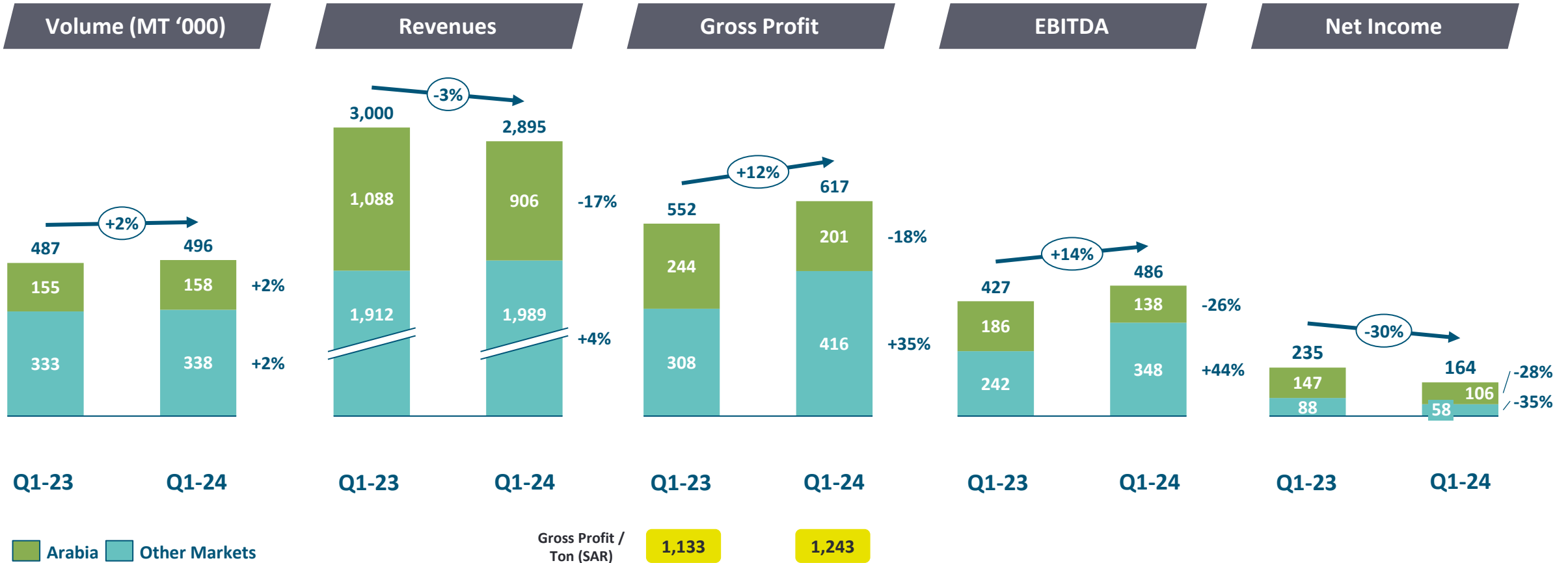


- Savola Foods demonstrated resilient performance in Q1'24 despite difficult macroeconomic environment in most non-GCC markets and supply chain challenges
- Adjusting for Morocco exit and Sudan suspension, Revenues in Q1'24 increased by c.4% compared to last year
- Gross profit and EBITDA margins improved due to strong performance in Egypt Oil and KSA Sugar businesses
- Net Income declined compared to LY primarily due to higher financial charges including FX losses and one offs during Q1'23

\* Q1'23 adjusted net income excludes one-offs related to gain on Morocco exit and custom duty refund

# Savola Foods – Oil Segment Analysis

SAR in millions

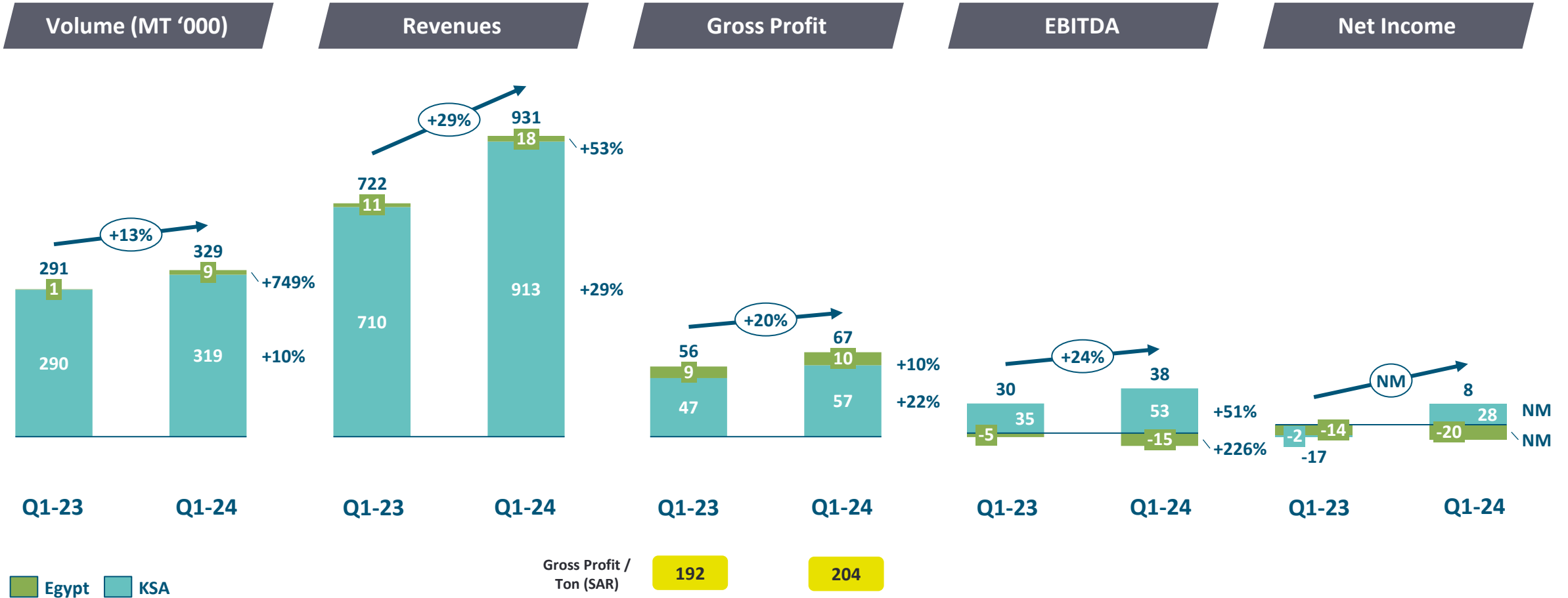


Revenue declined marginally due to drop in crude edible oil prices; Gross profits improved on the back of higher contribution margin from Egypt while net income is lower YoY due to the impact of higher financial costs including FX losses

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 and Sudan from Q1'23 as Morocco was exited in Q1'23 and Sudan operations are temporarily suspended  
 4) All % above refer to growth numbers

# Savola Foods – Sugar Segment Analysis

*SAR in millions*



■ Egypt ■ KSA

Gross Profit / Ton (SAR)

192 204

**Q1'24 profitability is driven by KSA on the back of better volumes, prices and gain on rolling futures contracts**

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

# Savola Foods – Nuts, Spices And Pulses Segment Analysis

*SAR in millions*

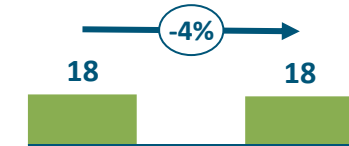
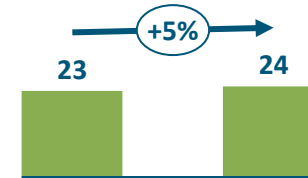
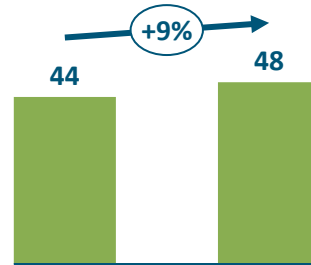
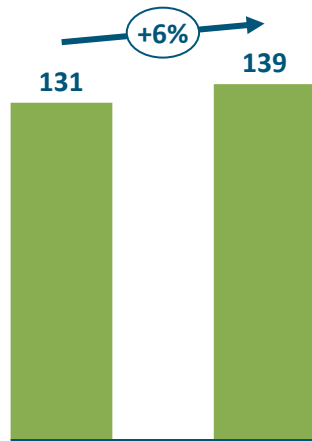
Revenues

Gross Profit

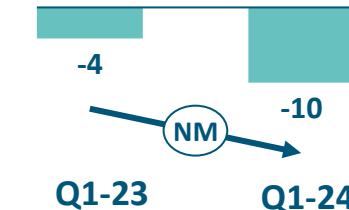
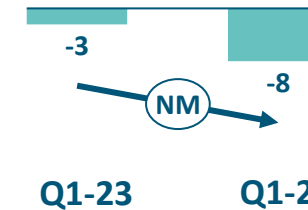
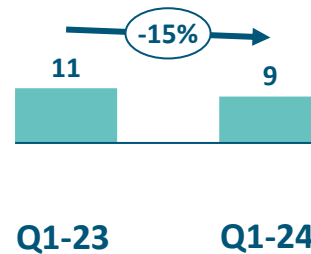
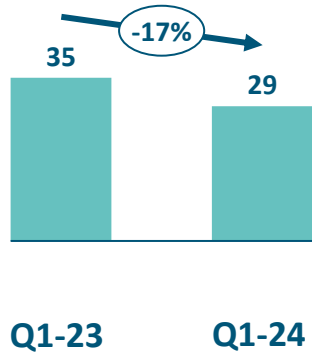
EBITDA

Net Income

UAE



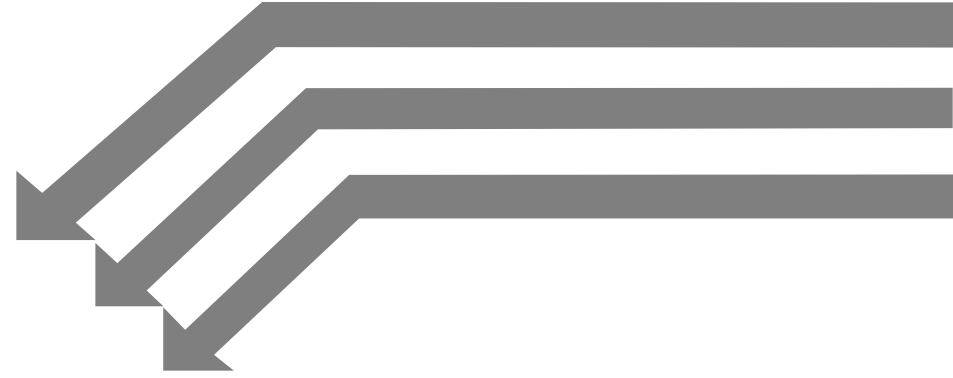
KSA  
(Relaunch Segment)



*Bayara UAE continues to demonstrate strong performance. UAE Q1'24 net income includes the impact of recently introduced UAE corporate tax. Bayara KSA continues to focus on building the business*

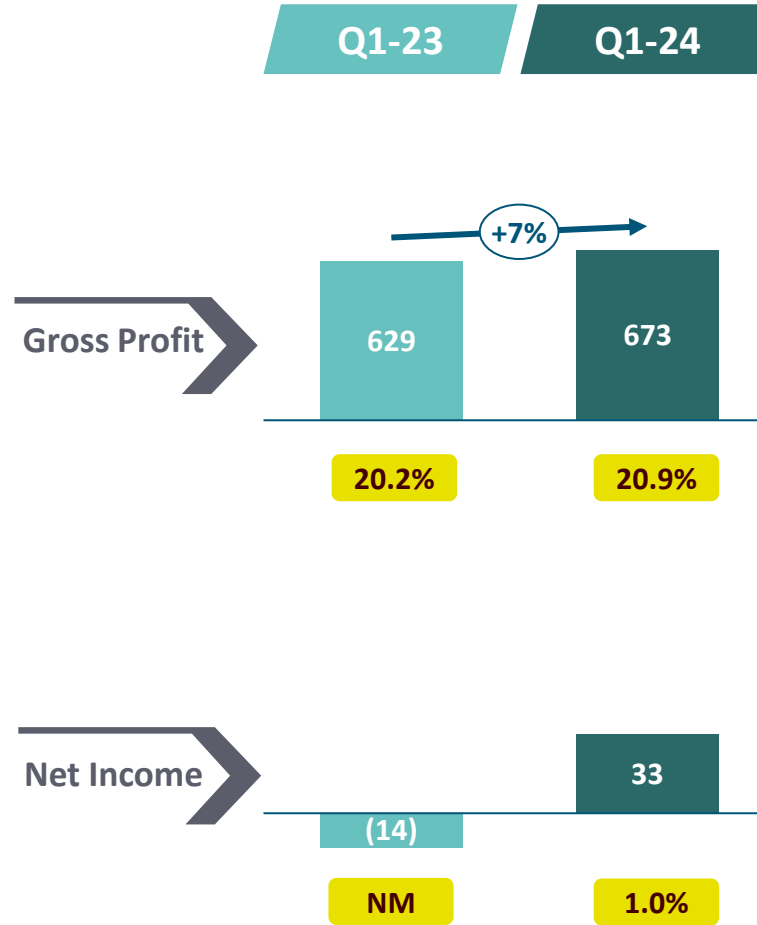
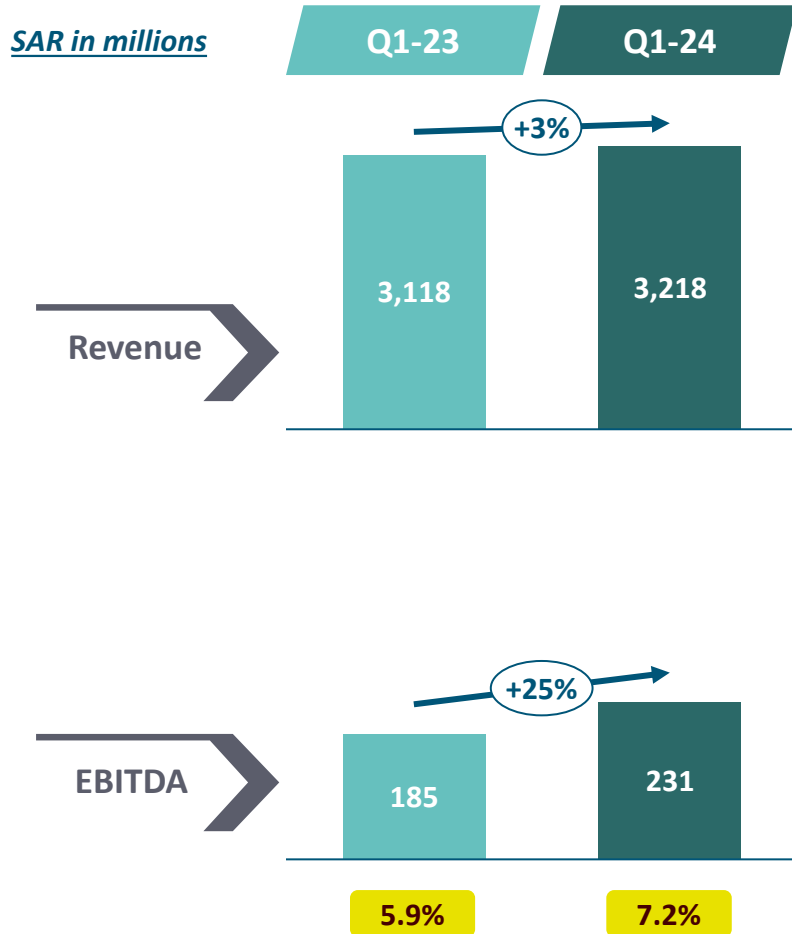
Note:  
1) All % above refer to growth numbers

Panda Retail Company



# Panda – Financial Highlights

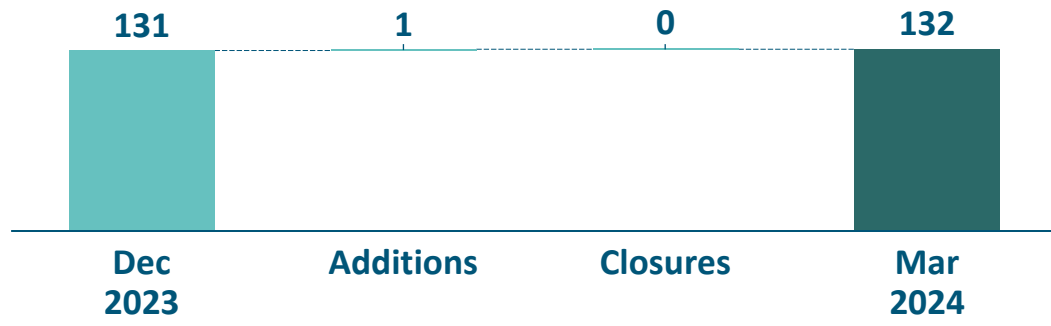
Margin



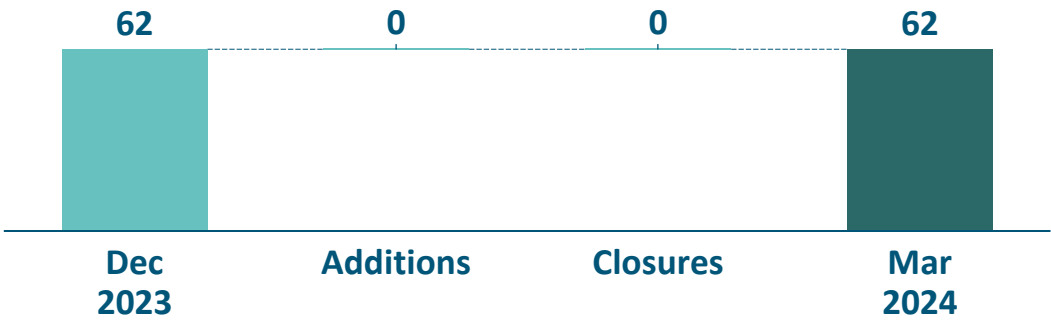
- Growth in topline is driven by contribution from CXR completed stores and new stores openings
- KSA LFL Revenue increased by 2.4% in Q1'24, mainly driven by increase in number of transactions
- Growth in Gross Profit is primarily attributed to higher sales and improved margins
- Panda posted Net Income of SAR 33mn in Q1'24 compared to the loss of SAR 14mn LY on the back of higher revenues and better margins

# Panda – Number Of Stores

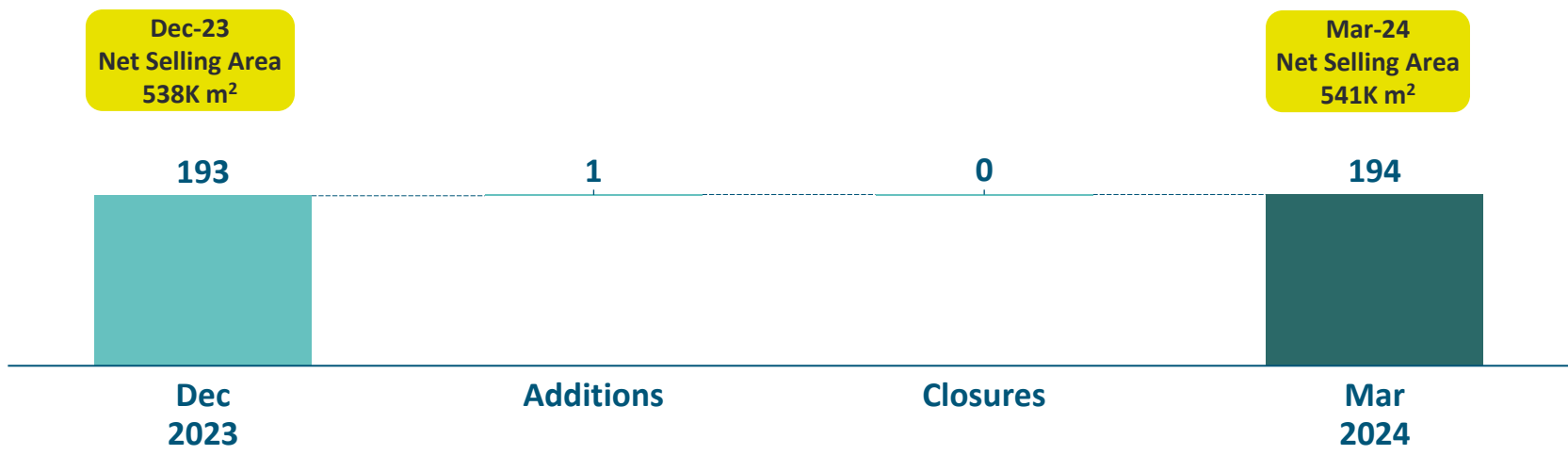
## Super



## Hyper



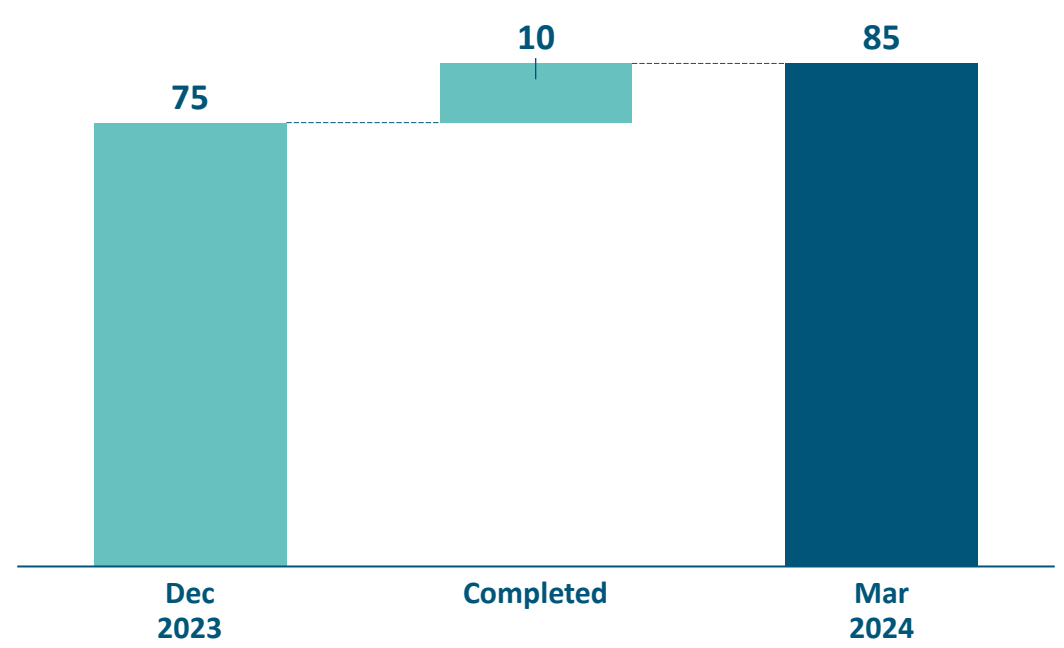
## Total



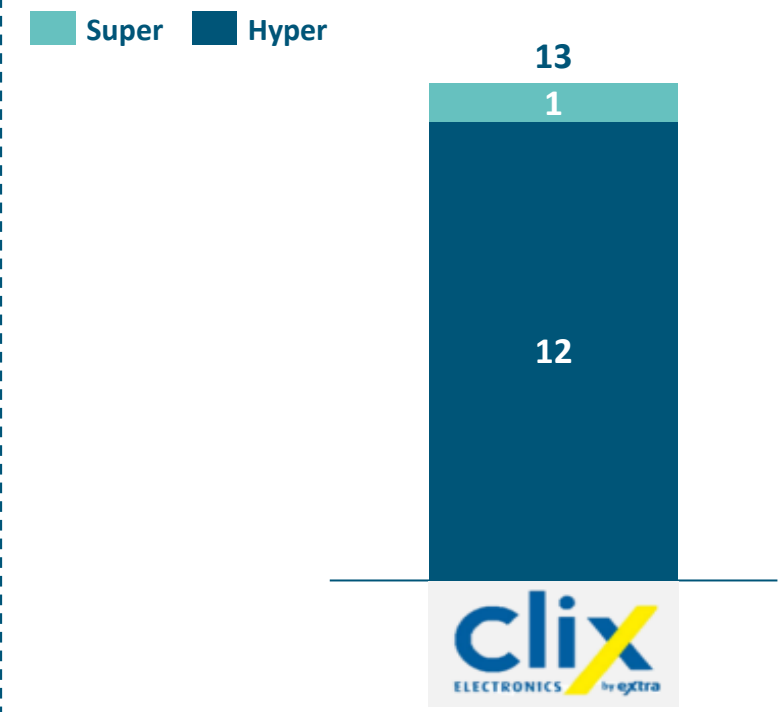
- 1 new store in Egypt during Q1'24
- Total store count: 188 stores in KSA and 6 in Egypt

# Panda CXR and Clix Update

## CXR Update



## Clix Update

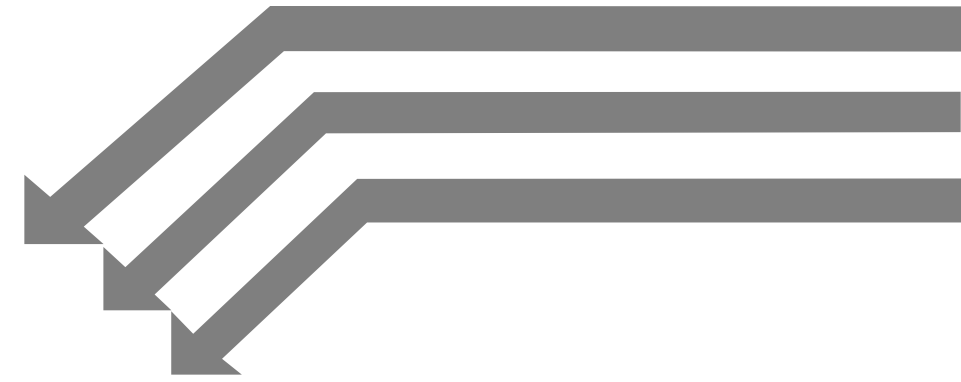


*Panda completed 10 additional CXR stores by end of Q1'24*

*During Q1'24, Clix was rolled out in 13 stores, as part of the wider rollout plan in 2024 and 2025*

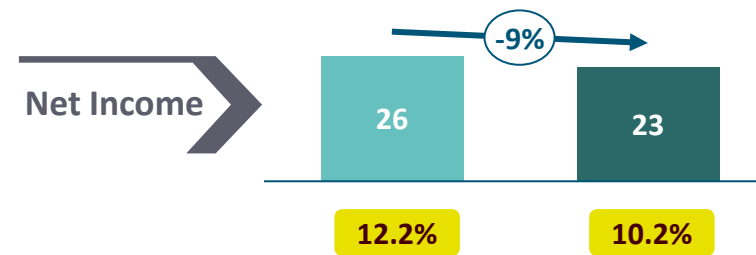
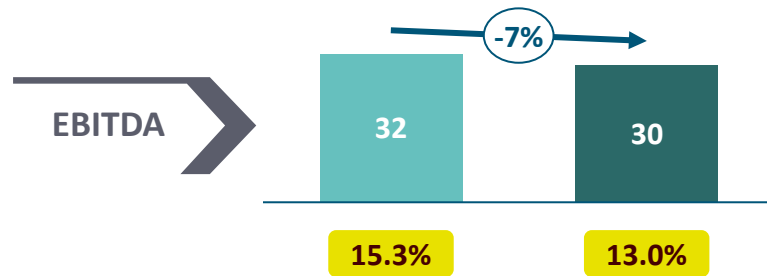
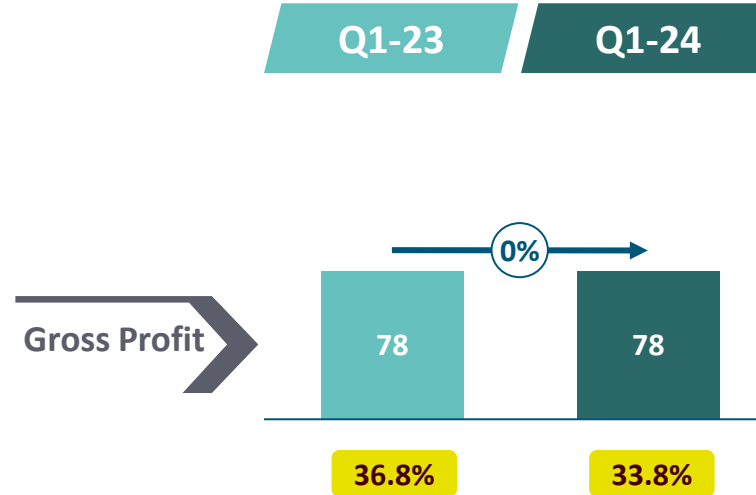
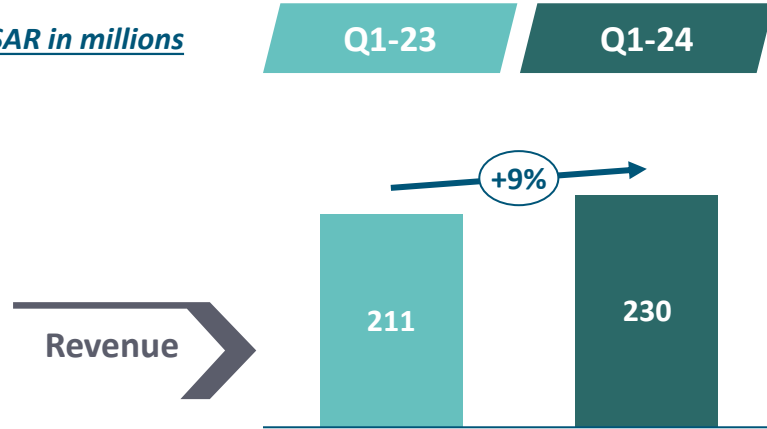


Al Kabeer



# Al Kabeer – Financial Highlights

*SAR in millions*



Margin

- During Q1'24, Al Kabeer reported a healthy sales growth primarily driven by better volumes across most product categories
- Al Kabeer's Revenue grew in both its core KSA and UAE markets
- Profitability and margins declined due to increased competitive intensity and promotional activities
- Q1'24 Net Income includes impact of corporate tax introduced in the UAE

# Q&A

# Financial Summary

(All figures are in SAR mn)

Segment Wise Financials <sup>1</sup>										
	Q1 2024					Q1 2023				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
<b>Savola Foods</b>										
Oil										
Arabia <sup>2</sup>	906	201	124	106	138	1,088	244	171	147	186
Other Markets <sup>3</sup>	2,008	417	326	59	348	2,237	346	247	97	267
<b>Total</b>	<b>2,915</b>	<b>618</b>	<b>450</b>	<b>165</b>	<b>486</b>	<b>3,325</b>	<b>591</b>	<b>418</b>	<b>245</b>	<b>452</b>
Sugar										
KSA	913	57	35	28	53	710	47	21	(2)	35
Egypt	18	10	(18)	(20)	(15)	11	9	(8)	(14)	(5)
<b>Total</b>	<b>931</b>	<b>67</b>	<b>17</b>	<b>8</b>	<b>38</b>	<b>722</b>	<b>56</b>	<b>13</b>	<b>(17)</b>	<b>30</b>
Pasta	210	38	25	19	26	167	34	22	15	24
Nuts, spices and pulses										
UAE	139	48	20	18	24	131	44	19	18	23
KSA	29	9	(10)	(10)	(8)	35	11	(3)	(4)	(3)
<b>Total</b>	<b>168</b>	<b>57</b>	<b>10</b>	<b>7</b>	<b>16</b>	<b>166</b>	<b>55</b>	<b>16</b>	<b>14</b>	<b>21</b>
Emerging Categories <sup>4</sup>	28	22	14	6	15	17	11	4	1	4
<b>Total Foods</b>	<b>4,251</b>	<b>802</b>	<b>516</b>	<b>205</b>	<b>581</b>	<b>4,398</b>	<b>747</b>	<b>473</b>	<b>258</b>	<b>532</b>
<b>Panda</b>										
KSA	3,166	664	65	31	225	3,079	622	29	(16)	180
Egypt	52	10	4	2	6	38	7	3	2	4
<b>Total Retail</b>	<b>3,218</b>	<b>673</b>	<b>68</b>	<b>33</b>	<b>231</b>	<b>3,118</b>	<b>629</b>	<b>32</b>	<b>(14)</b>	<b>185</b>
Herfy	289	72	9	0	51	275	54	(4)	(13)	38
Al Kabeer	230	78	26	23	30	211	78	27	26	32
Share of profit from associates	-	-	235	235	235	-	-	237	237	237
HQ/Elimination/Impairments	(206)	(6)	(46)	(148)	(38)	(188)	(6)	(37)	(100)	(27)
<b>Total</b>	<b>7,782</b>	<b>1,619</b>	<b>809</b>	<b>349</b>	<b>1,090</b>	<b>7,814</b>	<b>1,502</b>	<b>727</b>	<b>393</b>	<b>996</b>
<b>Adjustments</b>										
A. Savola Foods - Gain on Morocco Divestment				-					(18)	
B. Savola Foods - Afia Custom Duty refund				-					(23)	
<b>Adjusted Profit</b>				<b>349</b>					<b>352</b>	

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

<sup>2</sup> Arabia includes GCC and Levant

<sup>3</sup> Other markets include all markets except Afia Arabia and IFI Speciality Fats

<sup>4</sup> Includes seafood and Central Asia bakery

<sup>5</sup> Certain comparative amount have been reclassified to conform with current year presentation



Thank you