Savola Group

Earnings Presentation | Q2 2024

Date: 20 Aug 2024

www.savola.com

DISCLAIMER

This presentation might contain 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.

Forward-looking statements are based on certain assumptions and expectations of future events. The Savola Group (Savola or Group), its subsidiaries and its affiliates (the “Companies”) referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements of the Companies, could thus differ materially from those projected in any such forward-looking statements. The Companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

Information contained in this presentation is subject to change without further notice, its accuracy is not guaranteed, and it may not contain all material information concerning The Savola Group and its affiliates. We do not make any representation regarding, and assume no responsibility or liability for the accuracy or completeness of, or any errors or omissions in, to any information contained herein.

Savola Group Key Highlights

Savola Group – H1 2024 Highlights

Solid Performance continues

Savola Group Performance	Savola Group showed solid performance driven by strong performance in Panda and improvement in Savola Foods' sugar segment despite challenges in certain territories and segments
Panda's Profitability Path Continues	Panda reported Net Income of SAR 39mn in H1 2024 vis-à-vis Net Loss of SAR 37mn during H1 2023; primarily driven by sales growth from CXR stores and new store openings and improvement in margins
Savola Foods' Resilient Performance	Savola Foods recorded Net Income of SAR 261mn in H1 2024 vis-à-vis SAR 310mn during H1 2023. The drop is due to 1) decline in crude edible oil prices and volumes in the edible oil segment, 2) higher financial charges including FX losses and 3) no one-off gains in H1 2024 vs. SAR 41mn in H1 2023. Sugar segment reported stronger performance YoY due to improvement in volumes and prices

Stable Profitability

Gross Profit	The Group recorded Gross Profit of SAR 2.8bn compared to SAR 2.7bn last year (3% growth YoY)
EBITDA	The Group recorded EBITDA of SAR 1.8bn compared to SAR 1.7bn last year (6% growth YoY)
Net Income	Net Income for H1 2024 is SAR 484mn compared to SAR 525mn last year. The drop is the result of higher financial charges including FX losses, however, partially offset by strong performance from Panda

Rights Issue and Almarai Distribution Transaction

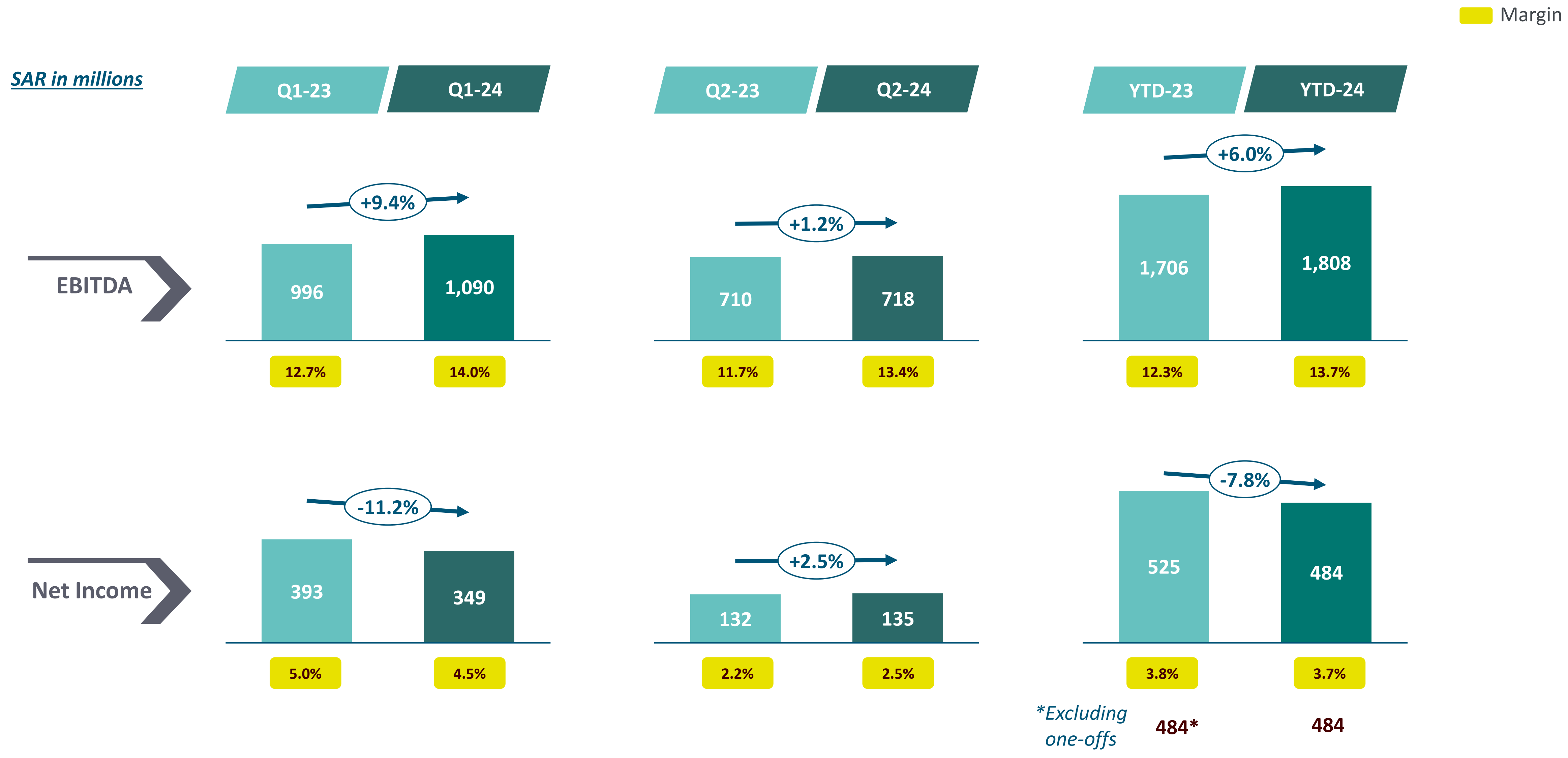
Update	CMA approved the application for SAR 6 bn Rights Issue on 31st July 2024 EGM will be held on 25th August 2024 for the shareholders' approval

Group Financial Highlights

Savola Group – Consolidated Financial Highlights

Note: numbers are rounded

Savola Group – Consolidated Financial Highlights



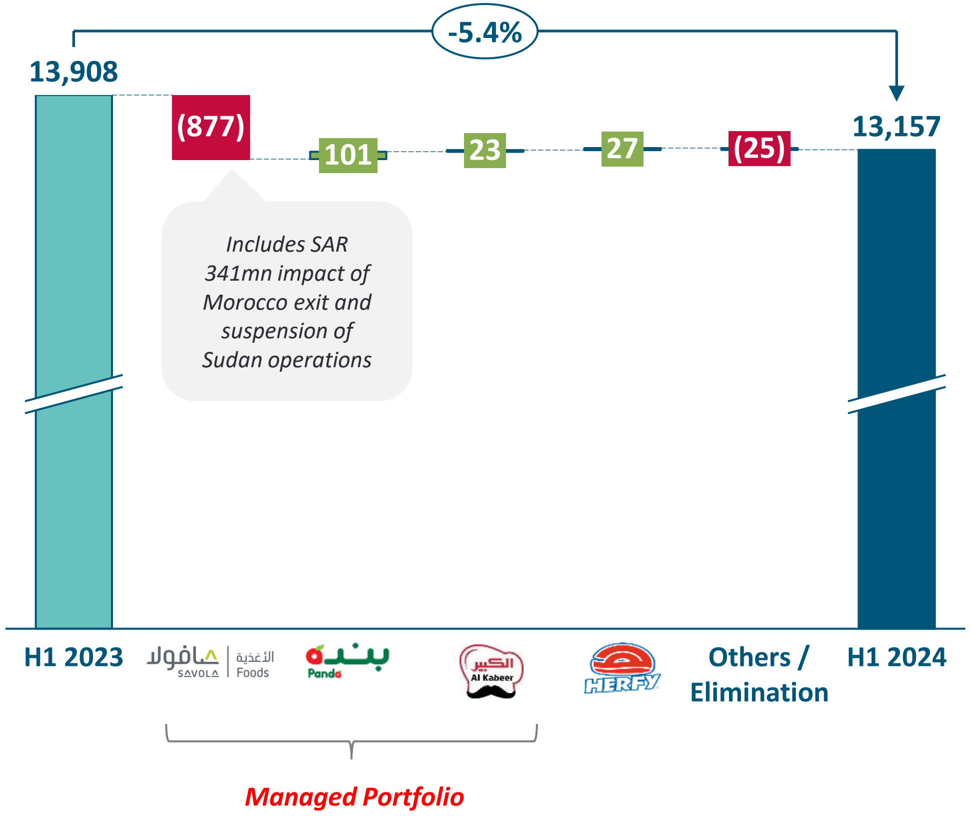
* H1 2023 adjusted net income excludes one-offs related to gain on Morocco exit and custom duty refund

Note: numbers are rounded

Savola Group – H1 2024 Revenue & Net Income Bridge By Business

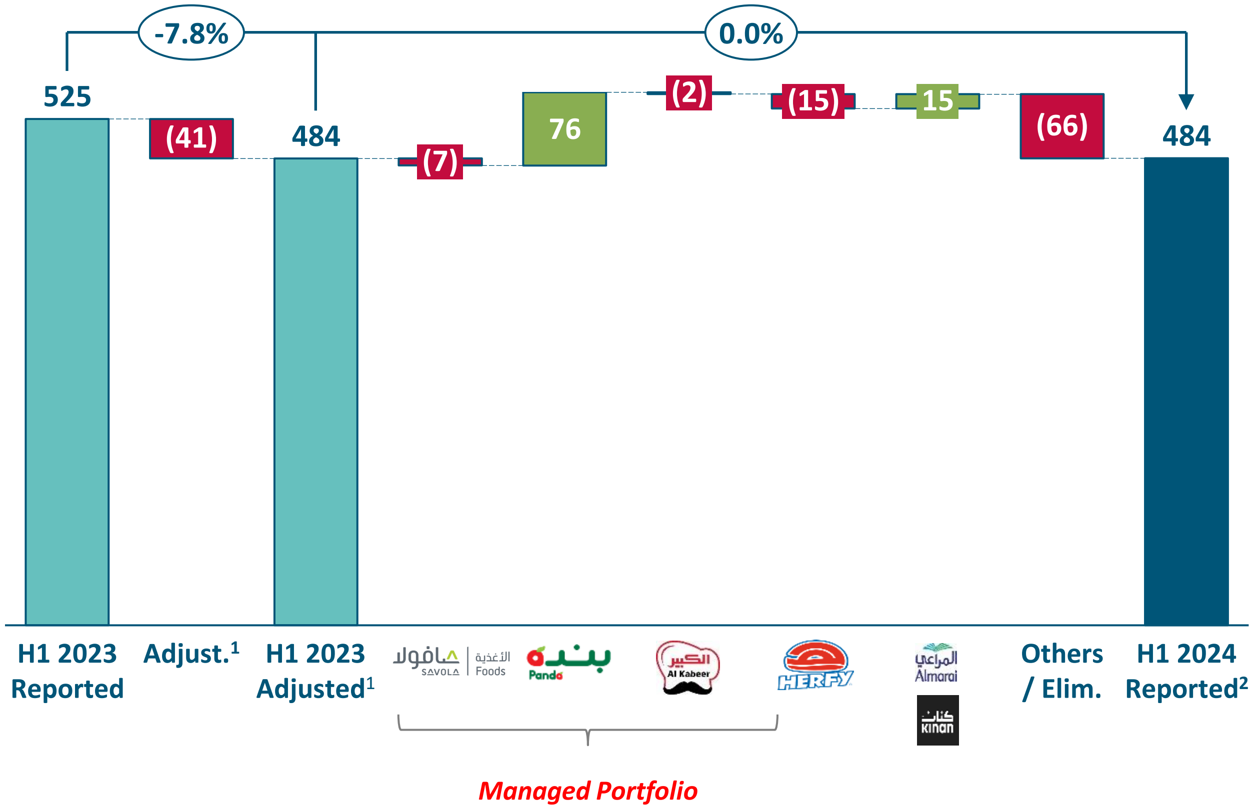
Revenue Bridge by Business

SAR in millions



Net Income Bridge by Business

SAR in millions



Note 1: H1 2023 adjusted net income excludes one-offs related to Savola Foods on account of gain on Morocco exit and custom duty refund

2: There were no one off adjustments during H1 2024, hence there is no difference between reported and adjusted net income for this period

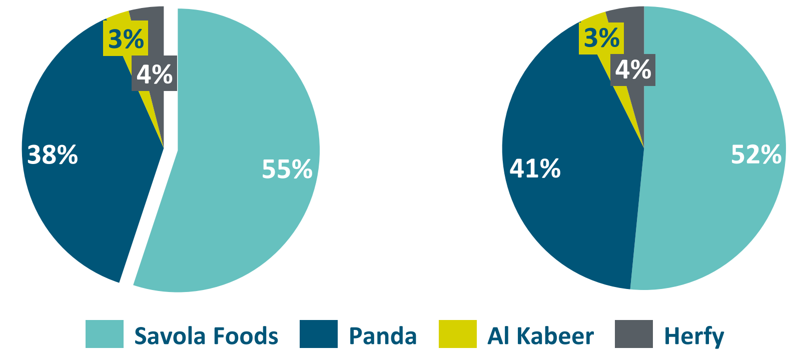
Note: numbers are rounded

Group – Revenue Mix, Net Debt & Capex

SAR in millions

Revenue by Business[1]

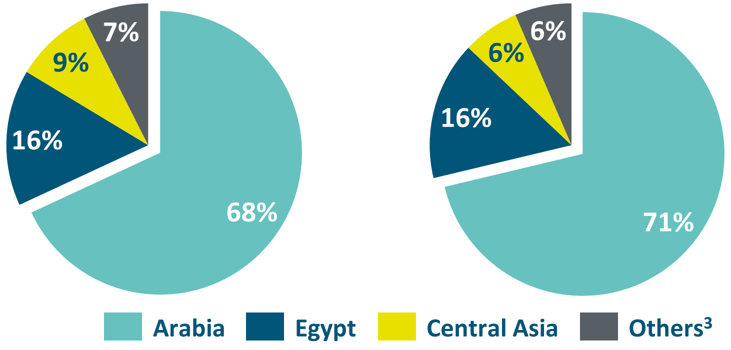
YTD-23	YTD-24



	Savola Foods	Panda	Al Kabeer	Herfy
YoY Growth	-11.3%	1.9%	6.2%	4.8%

Revenue by Geography

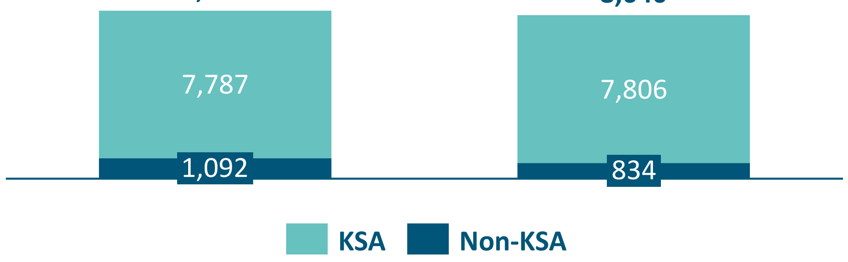
YTD-23	YTD-24



	Arabia	Egypt	Central Asia	Others[3]
YoY Growth	-1.0%	-3.9%	-31.3%	-17.8%

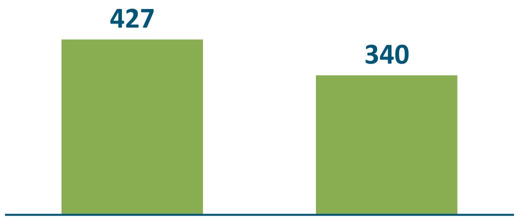
Loans and Net Debt[2]

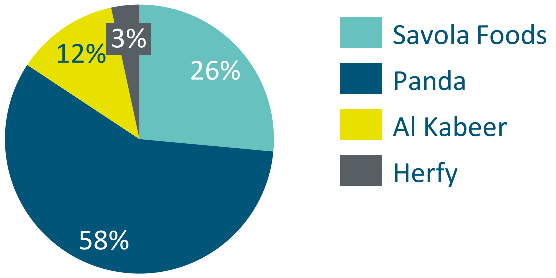
	Jun-23	Jun-24
Net Debt	6,958	6,939
Total Loans	8,879	8,640



CAPEX

YTD-23	YTD-24





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 suspension of operations in Sudan and loss of revenue that had been generated from Morocco prior to its exit during Q1'23

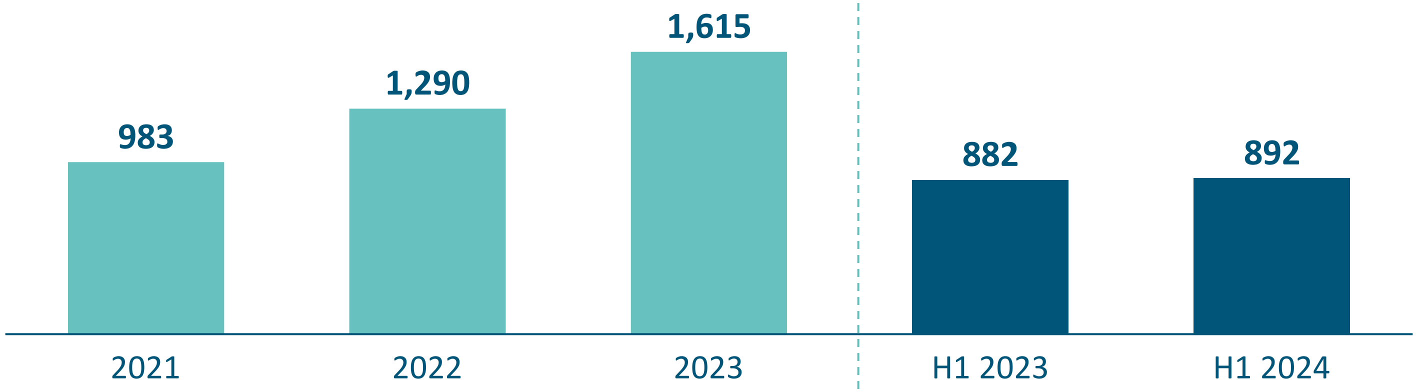
Note: numbers are rounded

Savola Group - Core Portfolio EBITDA Trend

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

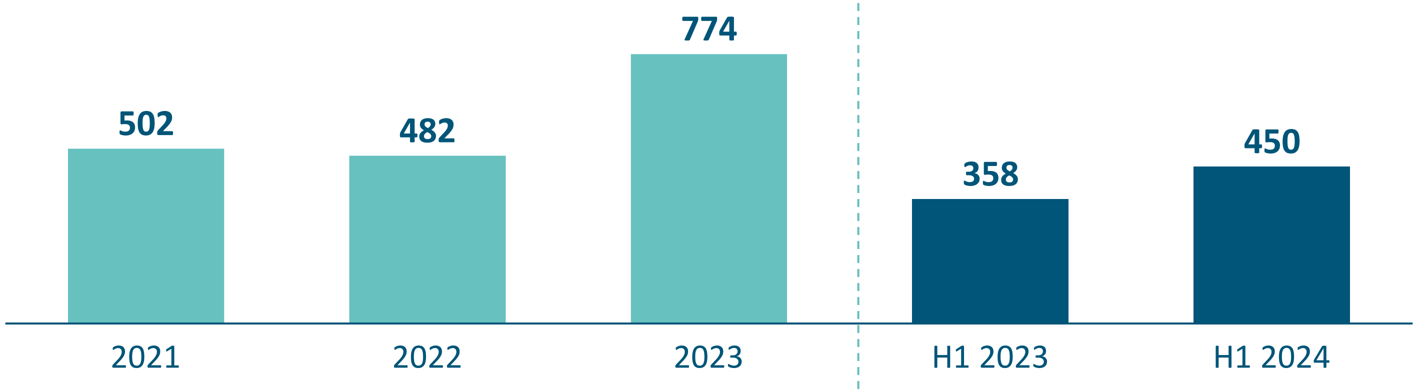
SAR in millions

Foods[1]



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

Retail

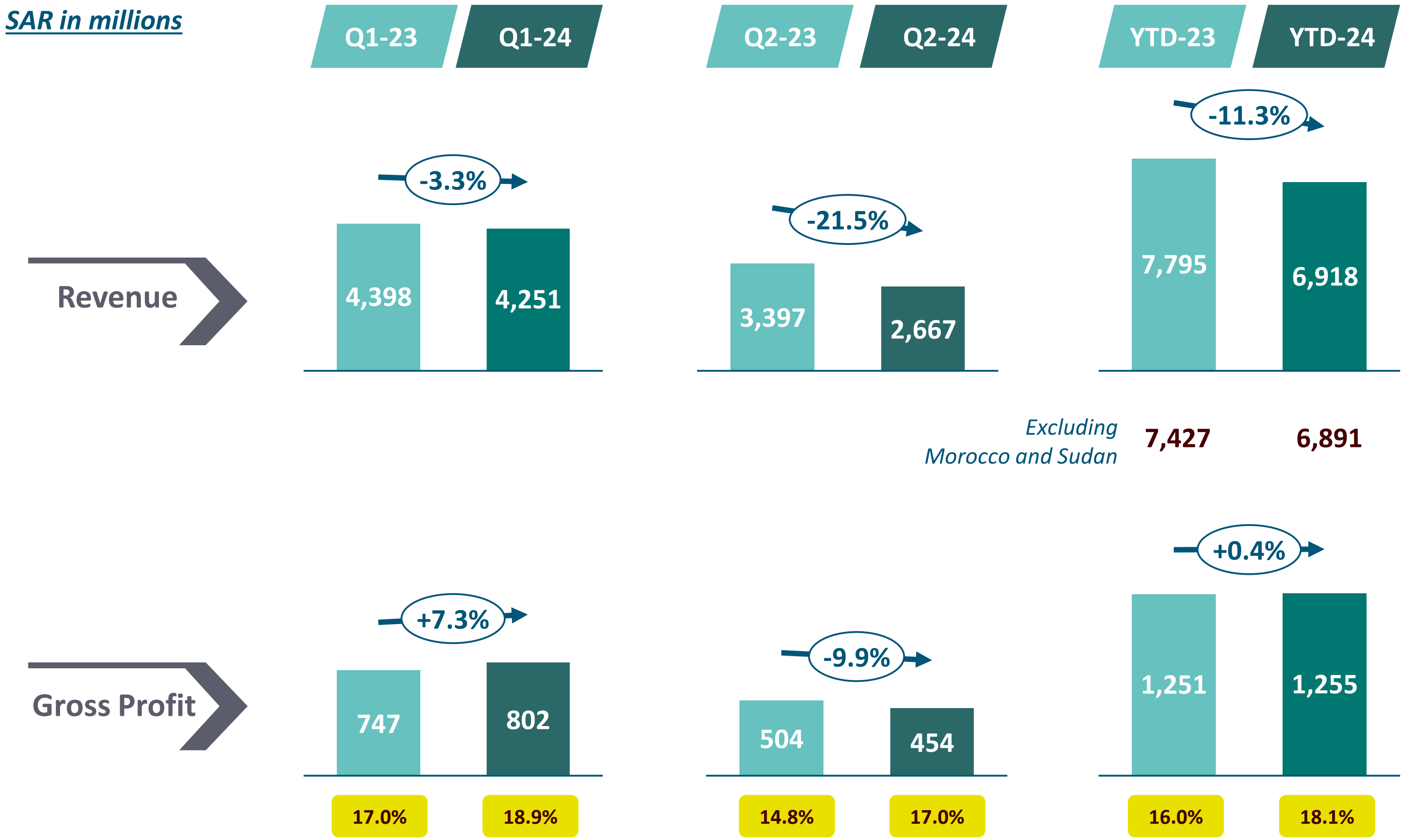


- Recent performance demonstrates Panda's journey from turnaround to transformation

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 – Consolidated Financial Highlights



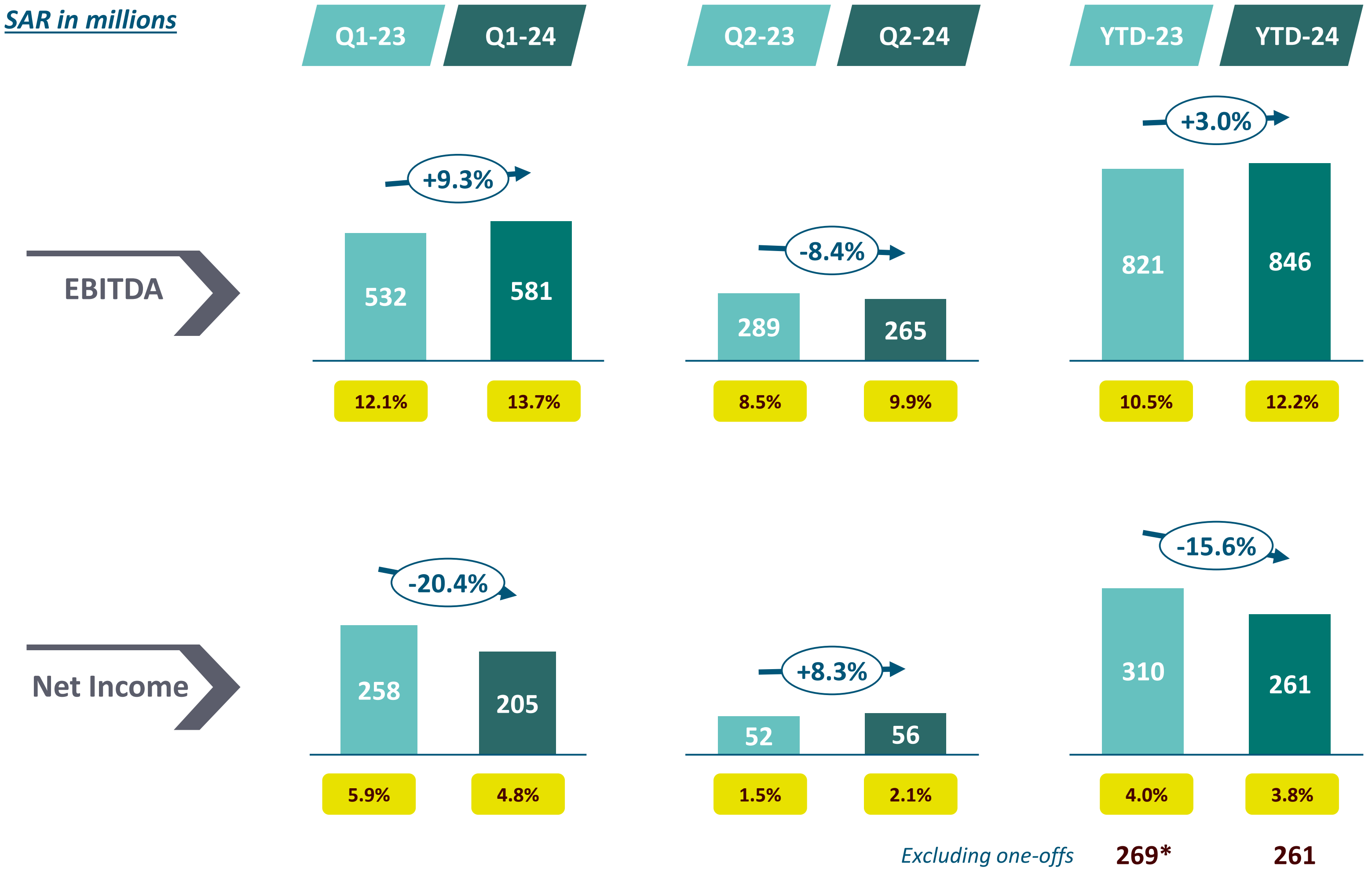
- During H1 2024, Savola Foods' Revenue dropped by 11% YoY due to:
  - Drop in edible oil prices,
  - Lower volumes in edible oil segment primarily in Egypt,
  - Foreign exchange devaluation in certain overseas markets,
  - Morocco exit, and
  - Suspension of operations in Sudan
- Sugar volumes and Revenue saw strong growth in both KSA and Egypt
- Adjusted for Morocco and Sudan, Revenue declined by 7% YoY

Note: numbers are rounded

Savola Foods – Consolidated Financial Highlights

Margin

SAR in millions



- Gross Profit and EBITDA improved due to higher contribution margin
- Net Income declined 16% in H1 2024 compared to LY primarily due to:
  - Higher financial charges including FX losses, and
  - One-off gains during the same period last year
- On an adjusted basis (excluding the one-offs), Net Income witnessed a marginal drop of 3% YoY

* Adjusted net income excludes one-offs related to gain on Morocco exit and custom duty refund

Note: numbers are rounded

Selected Commodity Snapshots (FAO)

FAO Vegetable Oils Index (rebased)[(1)]

FAO Sugar Index (rebased)[(2)]

Commodity prices have fluctuated with correction from the recent peak levels

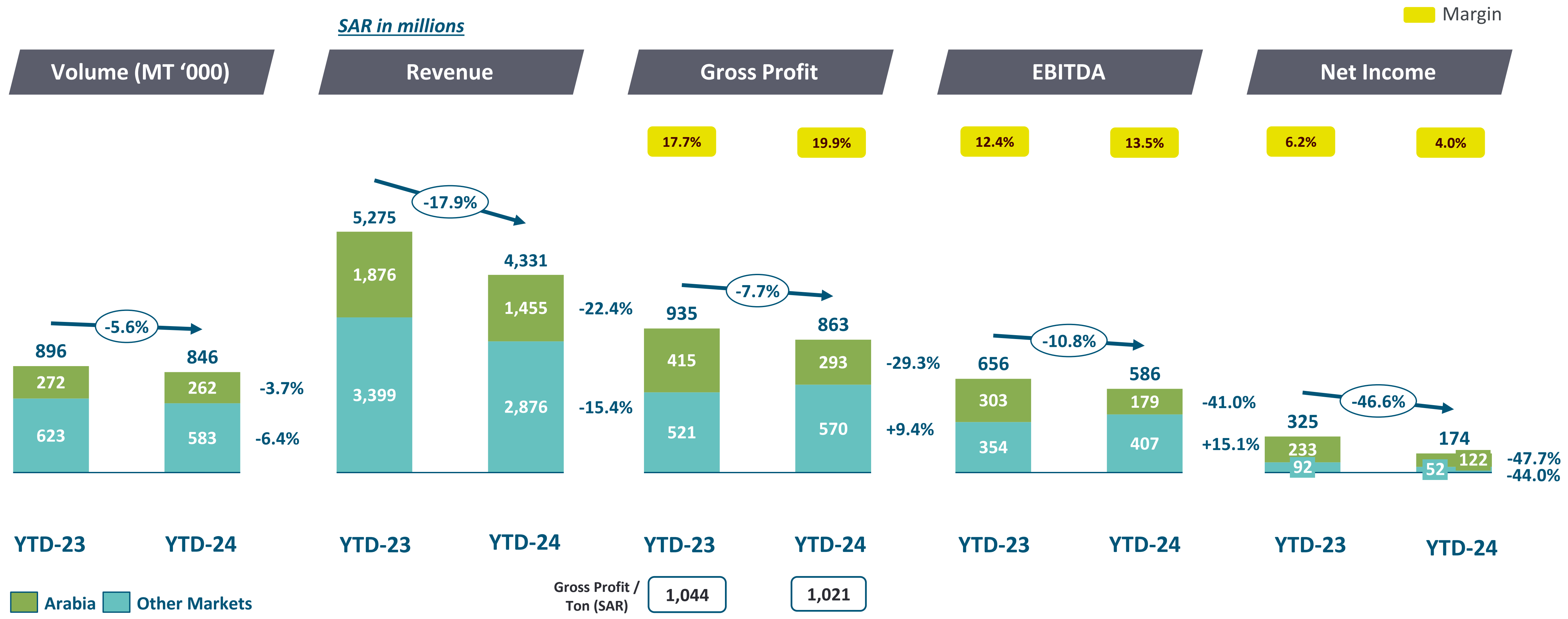
Source: The Food and Agriculture Organization of the United Nations (FAO) as of July 2024

Note: FAO data rebased as of January 2004, numbers are rounded

(1) Vegetable Oil Price Index consists of an average of 10 different oils weighted with average export trade shares of each oil product (2) Sugar Price Index is an index form of the International Sugar Agreement prices

Savola Foods – Oil Segment Analysis

SAR in millions

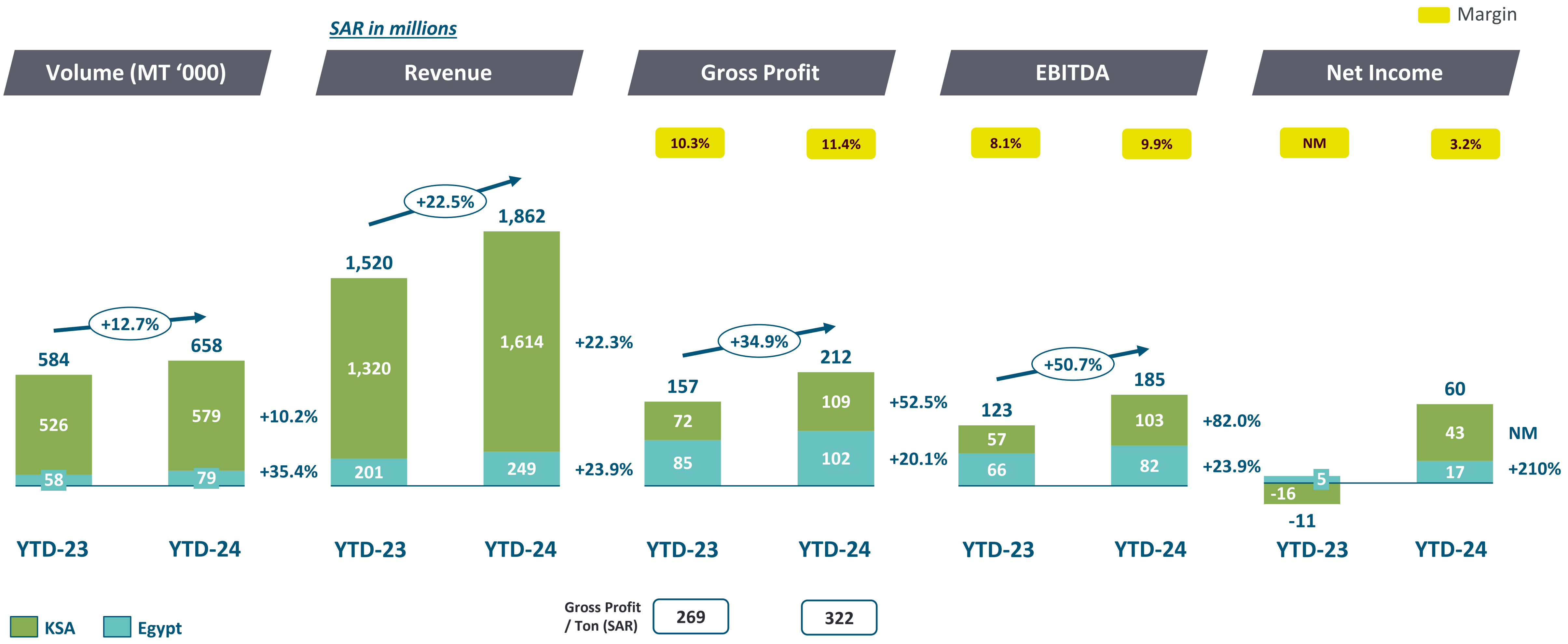


Revenue declined due to drop in crude edible oil prices and lower volumes; Net Income was also impacted by higher financial costs including FX losses

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 H1 2023 as Morocco was exited in Q1 2023 and Sudan operations are suspended
4) All % above refer to growth numbers

Note: numbers are rounded

Savola Foods – Sugar Segment Analysis

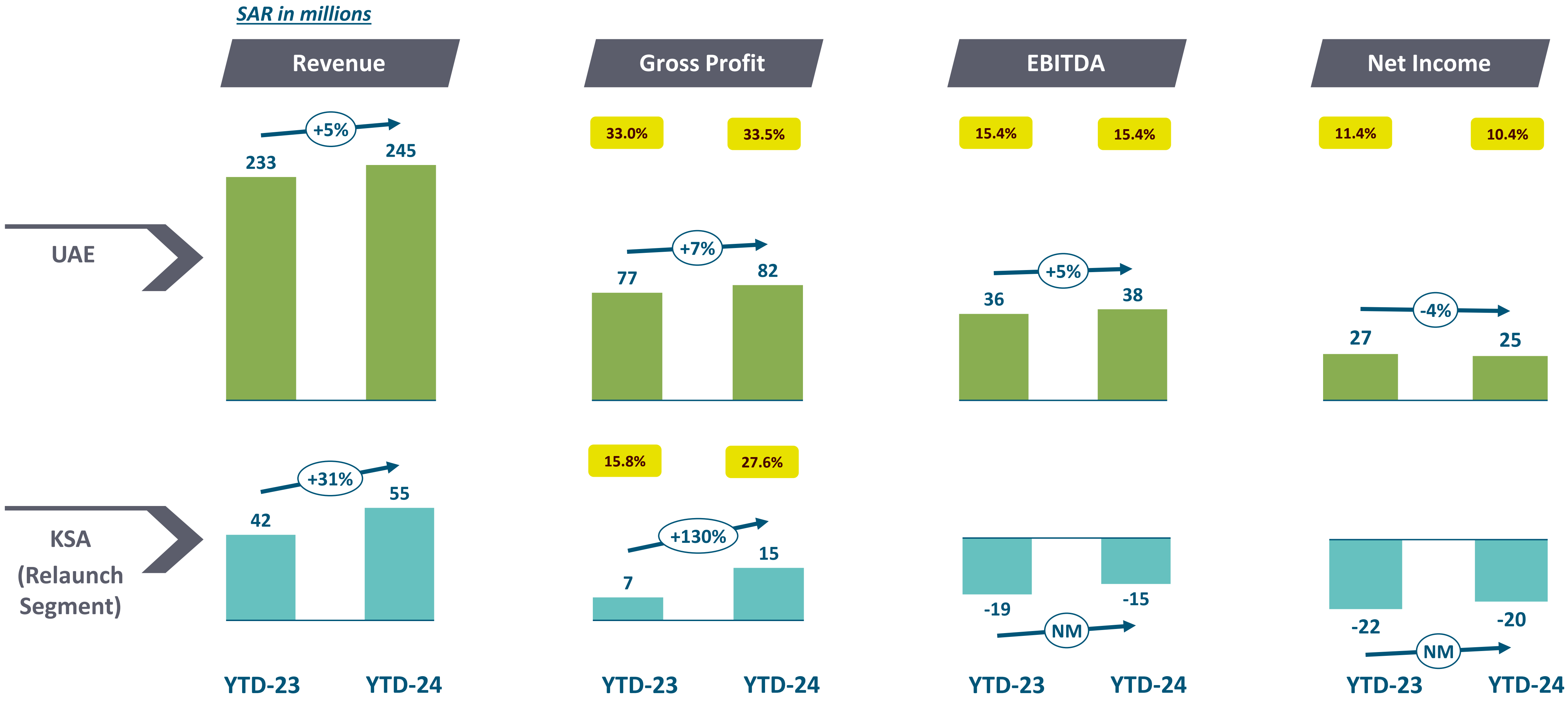


Sugar segment saw strong performance in H1 2024 driven by better volumes and prices

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 – Nuts, Spices And Pulses Segment Analysis

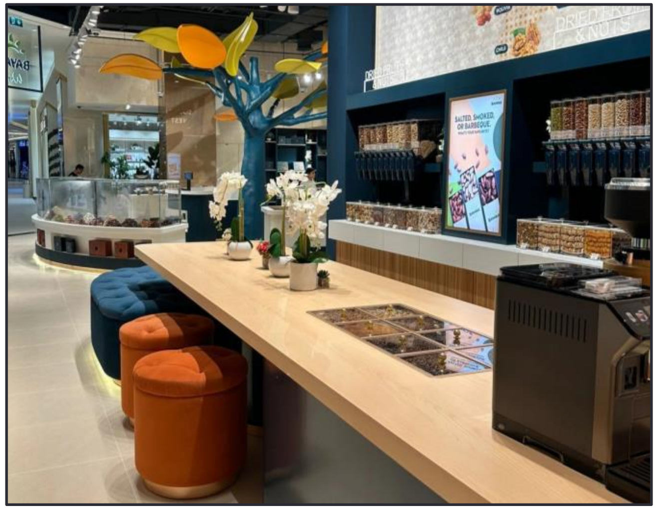


Bayara UAE continues to demonstrate resilient performance. UAE H1 2024 Net Income includes the impact of recently introduced UAE corporate income tax. Bayara KSA continues to ramp up

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

Bayara UAE continues to invigorate the brand and business through launch of new Bayara World Boutiques



- Bayara UAE continues to roll out its “Bayara World” boutiques in prime locations, enhancing its market positioning and branding

Panda Retail Company

Panda – Consolidated Financial Highlights

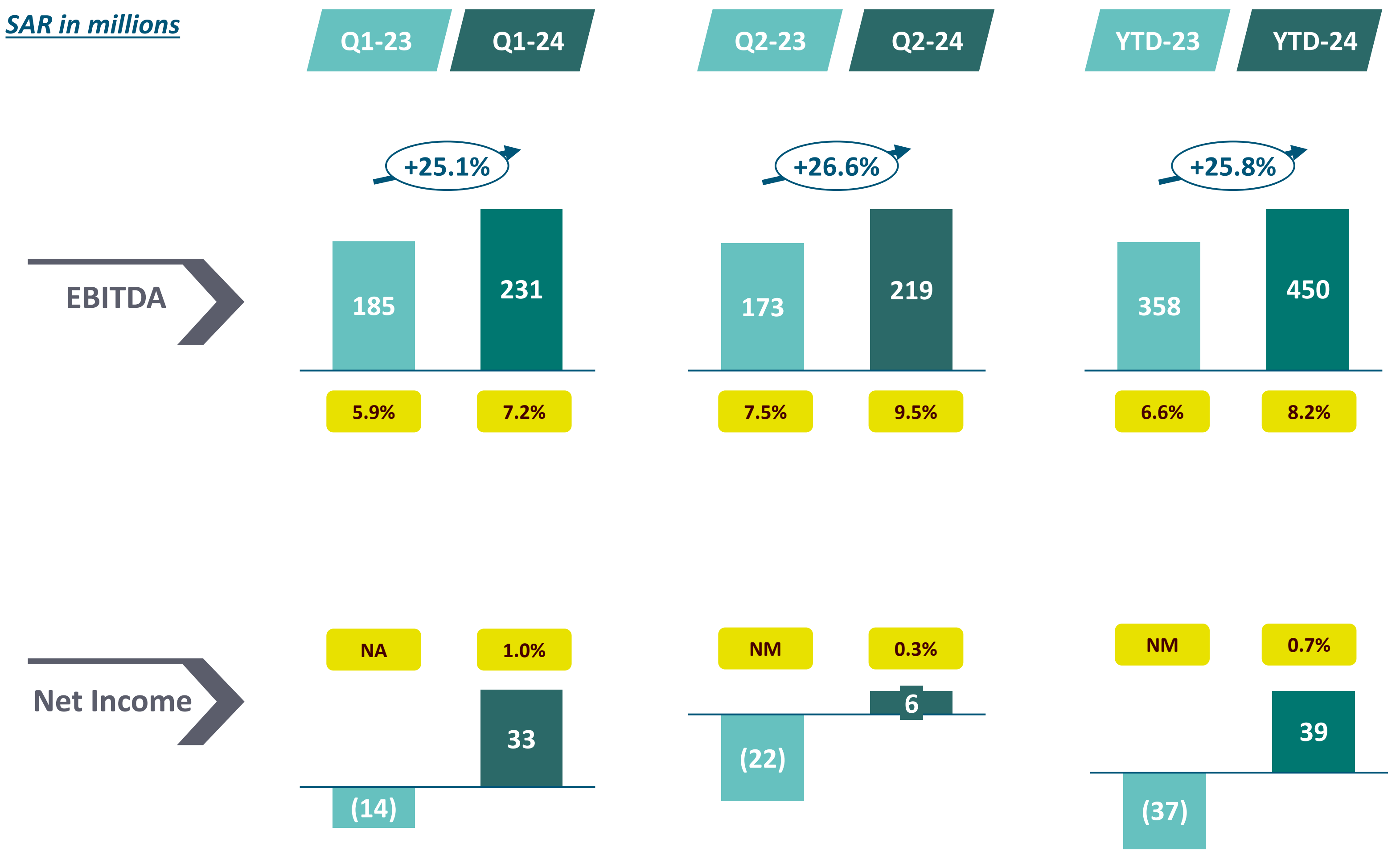
Margin

- H1 2024 Revenue is higher YoY by 2% mainly driven by performance of completed CXR stores and new store openings towards the end of Q4 2023
- Overall growth is muted by the deconsolidation of electronics segment due to partnership with Extra
- The growth in Gross Profit is driven by higher revenue and improved margins in Q2 2024 by 100bps YoY on the back of favorable sales mix

Note: numbers are rounded

Panda – Consolidated Financial Highlights

Margin



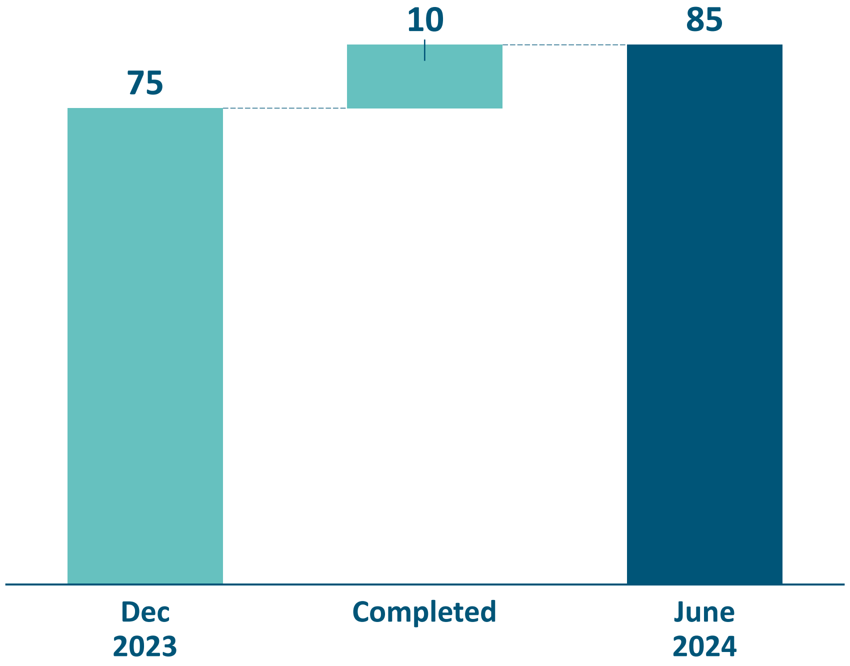
- EBITDA improved in H1 2024 compared to the LY, mainly due to higher Revenue and improved gross margin
- EBITDA margin is on an increasing trend:
  - Up by 160 bps in H1 2024 compared to LY, and
  - Up by 230 bps in Q2 2024 QoQ
- Panda reported another profitable quarter due to above mentioned reasons

Note: Certain comparative amounts have been reclassified to conform with current year presentation

Note: numbers are rounded

Panda CXR Update

CXR Update

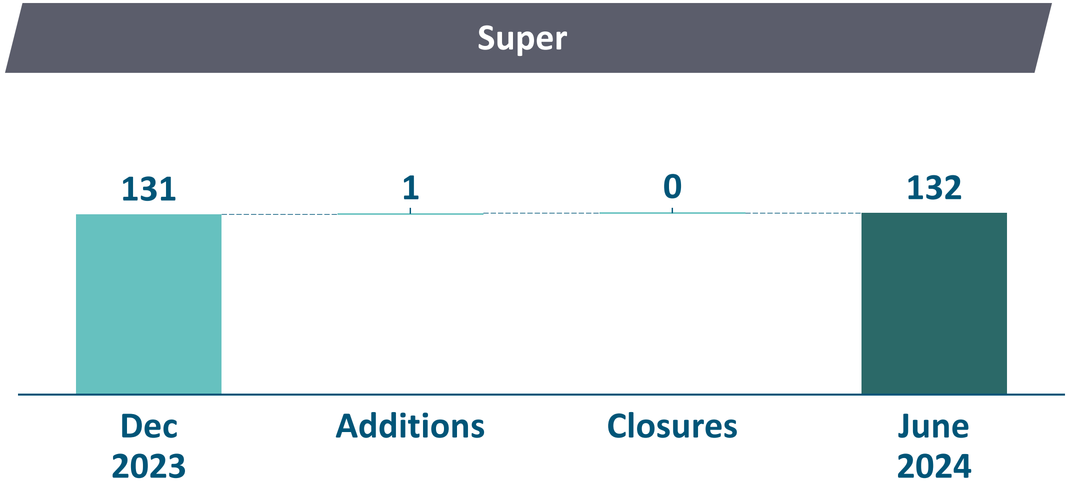


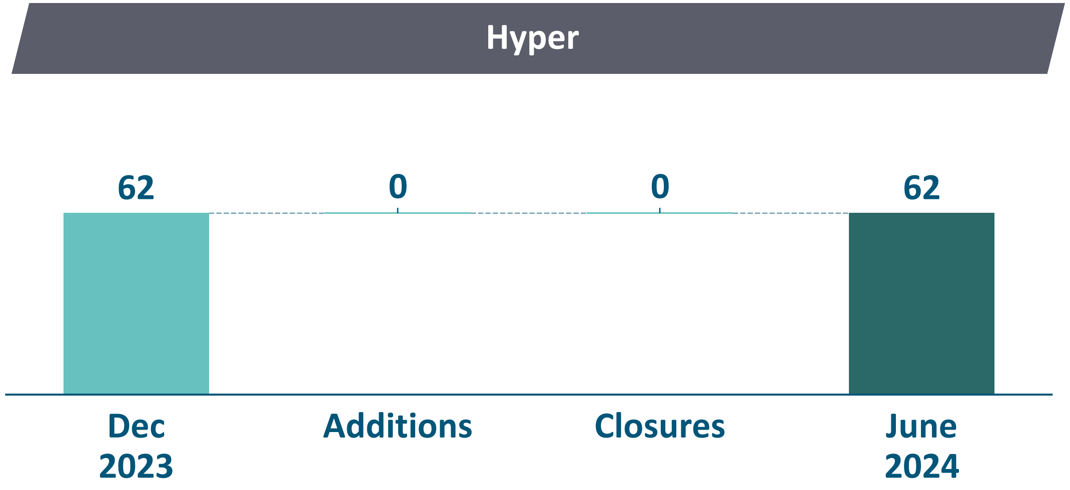
- In Wave 4, Panda completed 10 CXR stores at the end of H1 2024 with 18 more stores expected to complete by end of 2024
- The previously completed 75 stores continued to show healthy growth in revenues

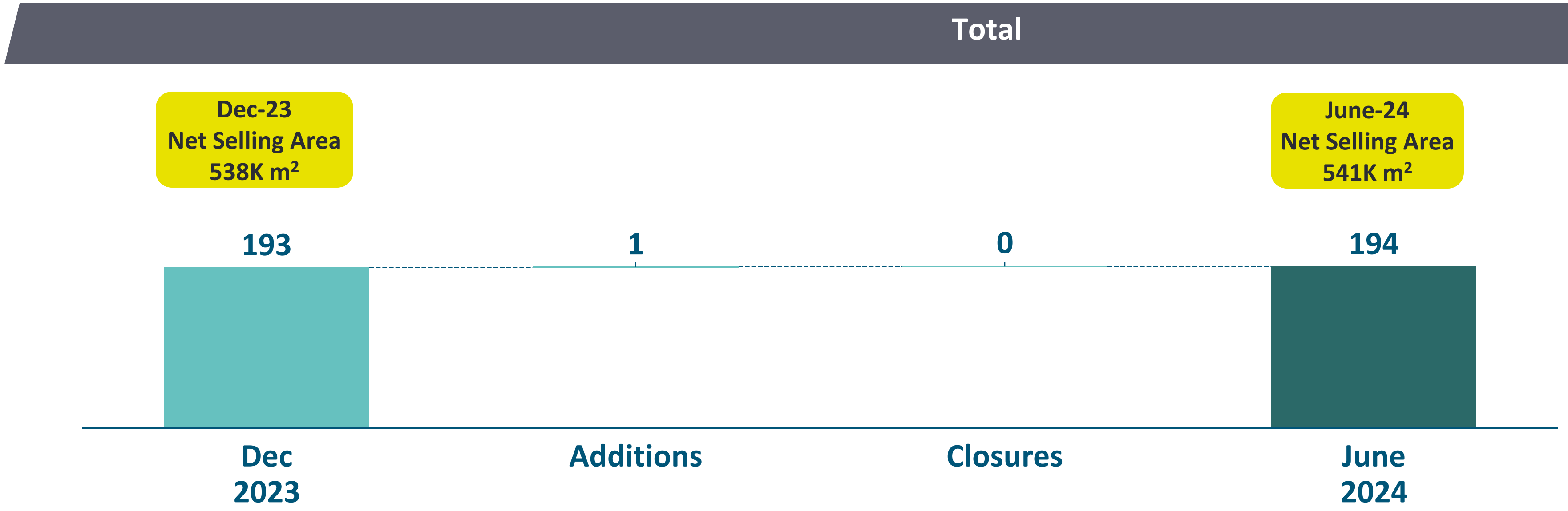
Completed CXR performance

	YTD June 24 vs. LY
Wave 1	+7.0%
Wave 2	+9.6%
Wave 3	+3.2%

Panda – Number Of Stores







- 1 new store in Egypt during H1 2024
- Total store count: 188 stores in KSA and 6 in Egypt

Al Kabeer

Al Kabeer – Consolidated Financial Highlights

Margin

SAR in millions

- During H1 2024, Al Kabeer reported a healthy Revenue growth primarily driven by:
  - Improved volumes in most product categories
  - Growth in its core KSA and UAE markets
  - Continued growth in modern trade, HORECA and traditional trade channels
  - New product launches and innovation
- Gross Profit margin declined due to higher trade discounts and consumer promotions

Note: numbers are rounded

Al Kabeer – Consolidated Financial Highlights

Margin

SAR in millions

- Al Kabeer has also continued to spend towards marketing & branding efforts along with product innovations
- H1 2024 Net Income includes impact of corporate income tax introduced in the UAE

Note: numbers are rounded

Rights Issue and Distribution Transaction Update

The Transaction Has Four Interlinked Components

RECAP from Feb 2024

- Savola will distribute its entire 34.52% shareholding in Almarai to eligible shareholders
- Distribution will be preceded by a SAR 6.0 billion rights issue, strengthening Savola's financial position and optimizing the capital structure

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

We are Here

1 Rights issue	▪ Launch rights issue to raise capital of SAR 6bn, subject to regulatory approvals and EGM approval
2 Strengthen financial position	▪ The Rights Issue will allow Savola to strengthen its financial position while paying down outstanding debt at the group level
3 Capital reduction and distribution of Almarai at fair value	▪ Savola to distribute its entire Almarai stake to its eligible shareholders, hence, recognizing a gain representing the difference between the market value and book value of Almarai shares in Savola's books, thereby increasing the retained earnings ▪ Distribution in kind to be affected through a) enhanced retained earnings and b) share capital reduction to optimize the capital structure post transaction ▪ Share capital reduction is required to facilitate the distribution in kind as Savola does not have adequate retained earnings to facilitate distribution of full Almarai stake held (current retained earnings of SAR 6.4bn, value of Almarai stake is **SAR 19.3bn[1]**) ▪ Capital reduction amount has been assessed such that Savola will be able to maintain optimal mix between share capital and retained earnings post distribution
4 Distribution-in-kind of all Almarai shares to Savola shareholders	▪ Distribution of Almarai shares to all eligible Savola shareholders, pro rata to the percentage ownership of each shareholder at the date of the General Assembly Meeting where the approval of distribution is granted

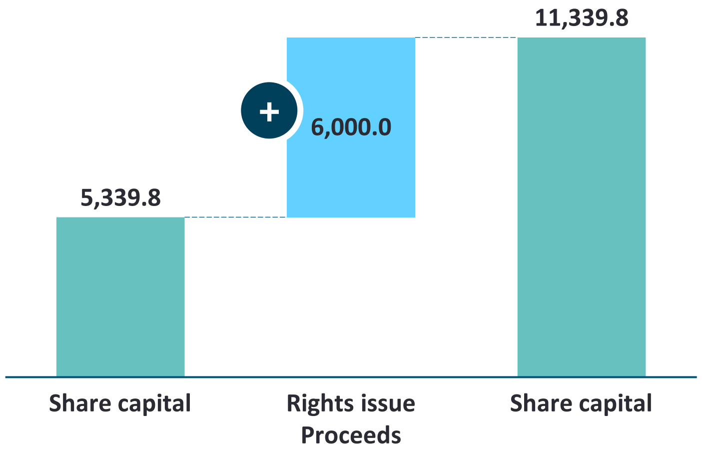
Note:
1) Based on Almarai share price as of 30th June 2024

Capital Increase and Debt Repayment using Rights Issue Proceeds at Savola

The first step of the transaction will involve a rights issue, with the proceeds from this issue being used to settle debt at group level

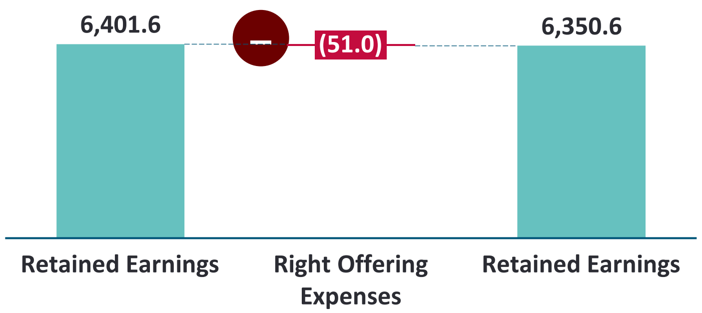
Pro-forma Impact on Balance sheet[1] (in SAR m)

Share Capital Impact from Rights Issue



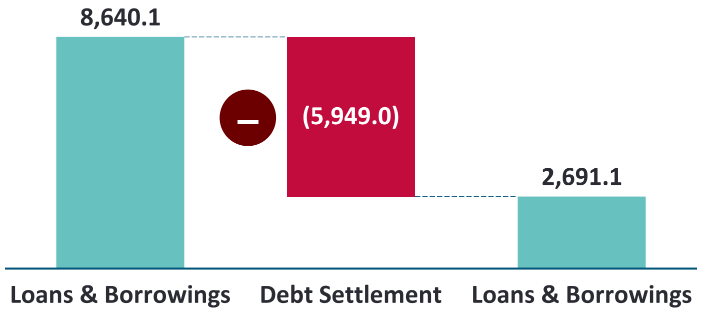
- Share capital will increase by the rights issue proceeds of **c. SAR 6.0bn** (issued at par value)

Recording of Offering Expenses



- Adjustment to retained earnings attributed to offering expenses of **c. SAR 51m,** deducted from gross offering proceeds

Repayment of Loans & Borrowings



- Net rights issue proceeds used to settle debt is **c. SAR 5.95bn**
  - Settlement of current loans and borrowings: **c. SAR 2.6bn**
  - Settlement of non-current loans and borrowings: **c. SAR 3.3bn**

Notes:
(1) Based on financial statements of Savola Group Company as of 30th June 2024

Rights Issue Indicative Operations Timeline

This is an illustrative timeline subject to receipt of EGM approval as of 25th August 2024, and other regulatory approvals

Key milestones and dates

Milestone	Indicative Dates
CMA Approval	**31 July**
EGM date	**25 August**
Trading & Subscription Days	**29 August – 10 September**
Rump Offering/Funding	**15 -25 September**
Deposit shares to shareholders' portfolios	**End of September**

Monthly Calendar

July 2024

S	M	T	W	T	F	S
28	29	30	31			

August 2024

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

September 2024

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Q&A

Financial Summary

Financials – H1 2024

(All figures are in SAR mn)

Segment Wise Financials[1]	H1 2024					H1 2023				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Savola Foods										
Oil										
Arabia[2]	1,455	293	151	122	179	1,876	415	274	233	303
Other Markets[3]	2,903	569	367	48	408	3,767	534	303	66	342
Total	**4,358**	**862**	**519**	**169**	**587**	**5,643**	**948**	**578**	**299**	**644**
Sugar										
KSA	1,614	109	67	43	103	1,320	72	29	(16)	57
Egypt	249	102	76	17	82	201	85	59	5	66
Total	**1,862**	**212**	**144**	**60**	**185**	**1,520**	**157**	**88**	**(11)**	**123**
Pasta	287	47	27	19	30	281	41	22	14	25
Nuts, spices and pulses										
UAE	245	82	29	25	38	233	77	28	27	36
KSA	55	15	(18)	(20)	(15)	42	7	(21)	(22)	(19)
Total	**300**	**97**	**11**	**6**	**22**	**274**	**83**	**7**	**5**	**17**
Emerging Categories[4]	111	37	20	8	22	77	21	10	3	12
Total Foods	**6,918**	**1,255**	**721**	**261**	**846**	**7,795**	**1,251**	**705**	**310**	**821**
Panda										
KSA	5,428	1,296	106	36	441	5,340	1,230	50	(40)	350
Egypt	89	17	5	3	9	76	14	4	3	8
Total Retail	**5,517**	**1,314**	**112**	**39**	**450**	**5,416**	**1,244**	**54**	**(37)**	**358**
Herfy	590	138	5	(23)	90	563	126	9	(8)	96
Al Kabeer	399	135	39	33	47	376	132	39	35	49
Share of profit from associates	-	-	443	443	443	-	-	428	428	428
HQ/Elimination/Impairments	(268)	(8)	(83)	(270)	(68)	(243)	(4)	(64)	(203)	(46)
Total	**13,157**	**2,834**	**1,236**	**484**	**1,808**	**13,908**	**2,749**	**1,170**	**525**	**1,706**
Adjustments										
A. Savola Foods - Gain on Morocco Divestment				-					(18)	
B. Savola Foods - Afia Custom Duty Refund				-					(23)	
Adjusted Profit				**484**					**484**	

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

Thank you