

Savola Group

Earnings Presentation | YTD Q2 2022

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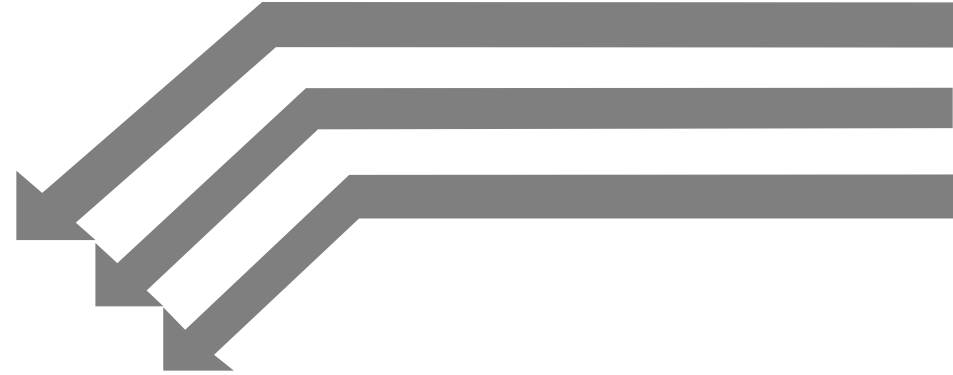
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1. Group Key Financial Highlights

2. Performance by Segment



GROUP - HIGHLIGHTS

Business Highlights

- For YTD June 2022, Savola Group reported strong financial performance overall:
 - Foods segment growth momentum continued with higher volume growth despite volatile commodity prices
 - Retail segment witnessed slight decline as expected on the back of our continued CXR program and closure of some stores as compared to the same period last year

Revenues

- Savola Group reported topline growth of 21 % during the YTD June 2022 period
- Foods processing segment grew by about 51% in revenues led mainly by overall 5% growth in volumes and higher pricing
- Retail segment reported about 6% decline mainly due to store closures and revamp works in some of our CXR stores

Profitability

- Gross profit reached SAR 2.5 billion which is higher by 9% YoY primarily driven by higher volumes and better pricing in foods processing segment. The margin declined to 18% primarily due to higher commodity prices in the food segment
- The Group recorded EBTIDA of SAR 1.5 billion with a margin of 11%
- Net Income reached SAR 485 million compared to SAR 354 million last year; the improvement is primarily attributable to the performance of the foods segment and share of profit from associates

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

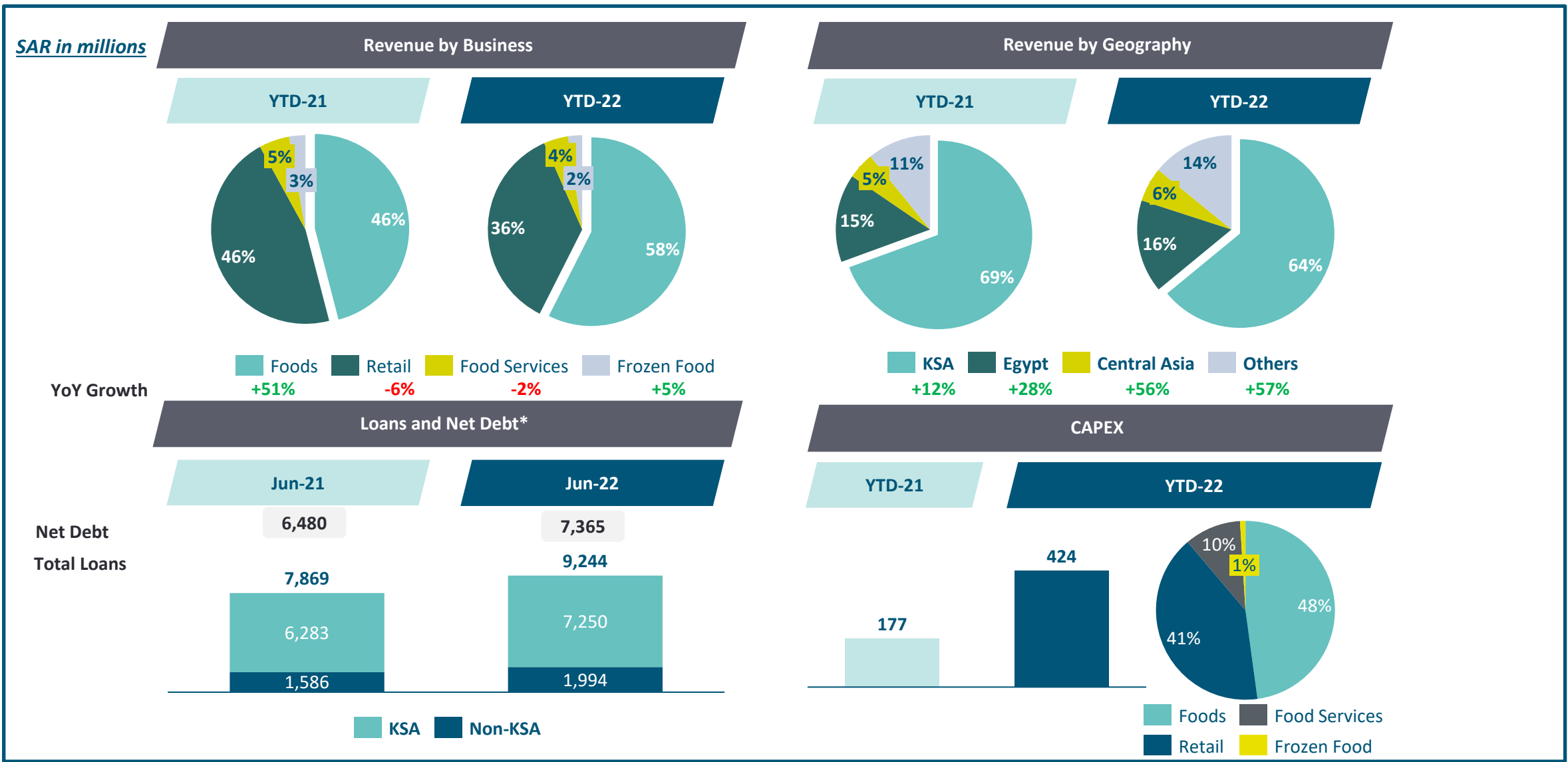
GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

GROUP – REVENUE MIX, NET DEBT & CAPEX



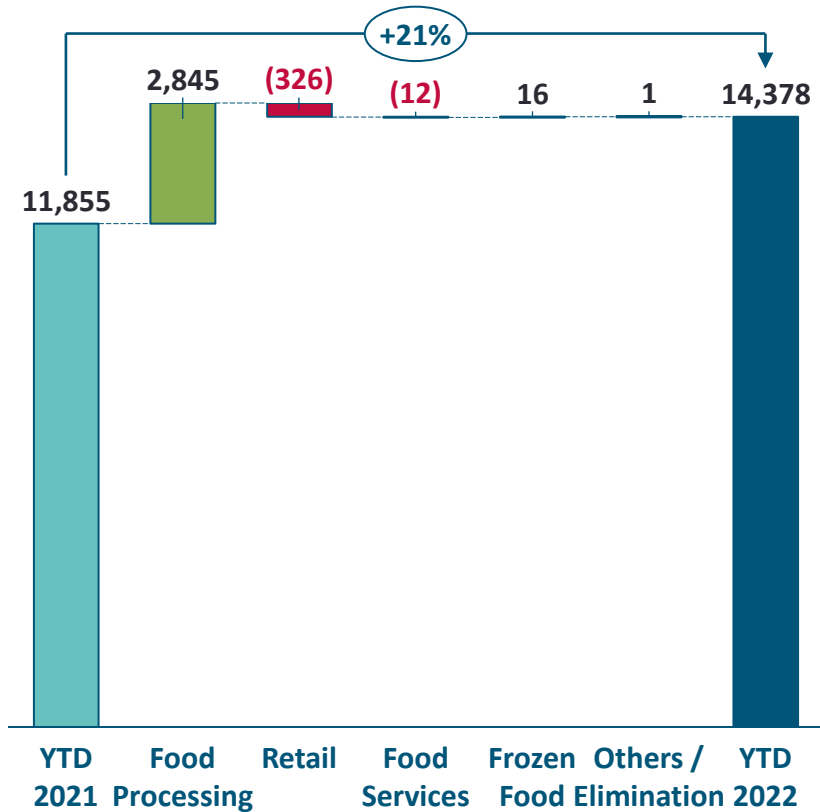
*Net debt excludes lease liabilities

Note: numbers are rounded 7

GROUP – REVENUE & NET INCOME BRIDGE BY BUSINESS

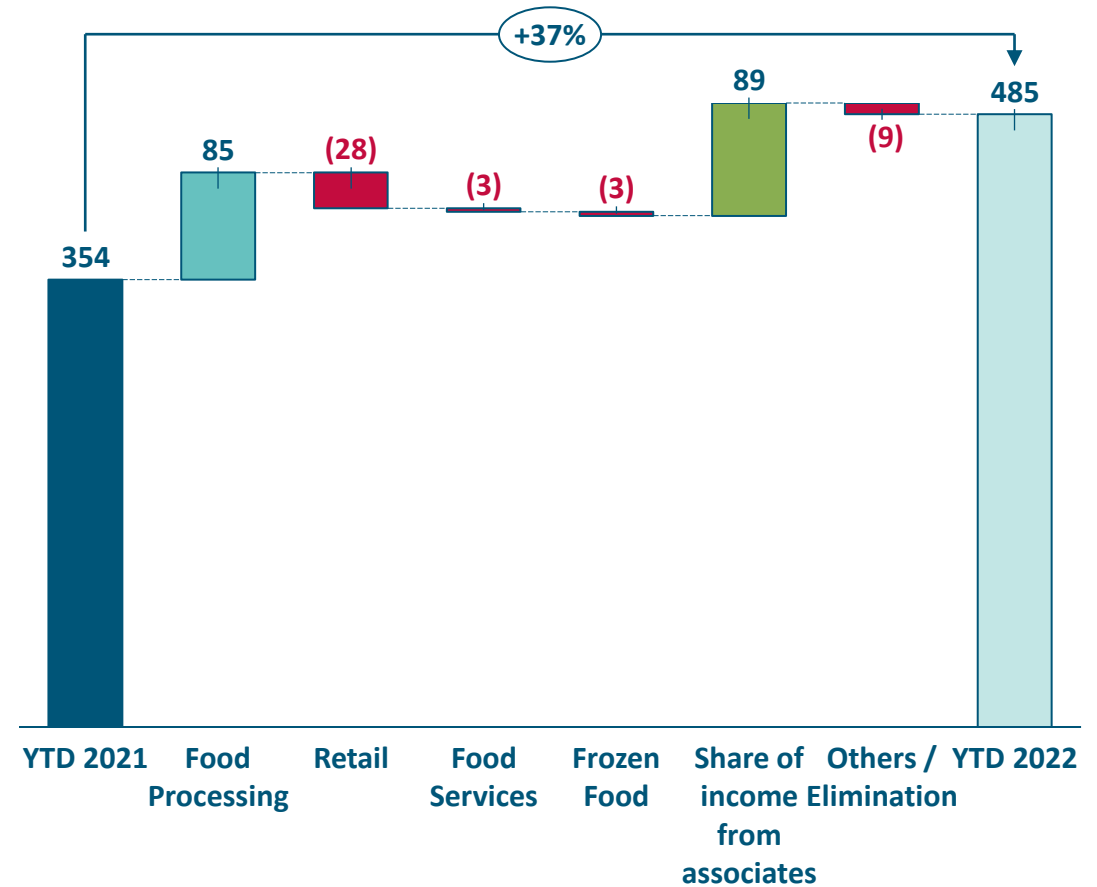
Revenue Bridge by Business

SAR in millions



Net Income Bridge by Business*

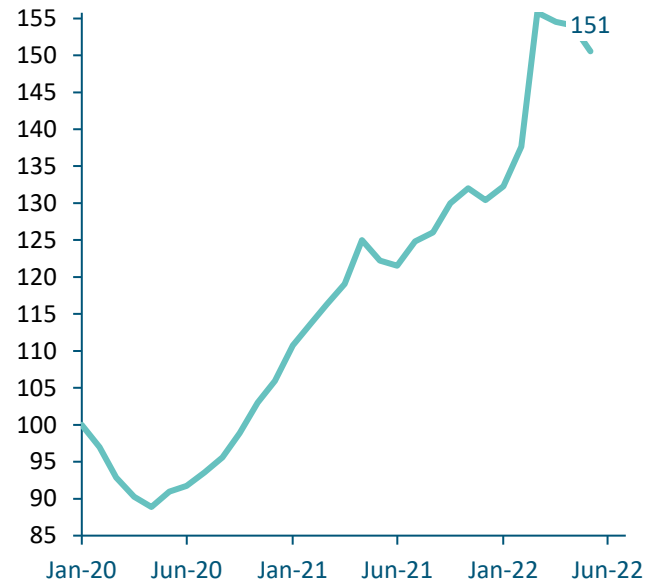
SAR in millions



* Excluding one offs of each businesses segment which are shown separately

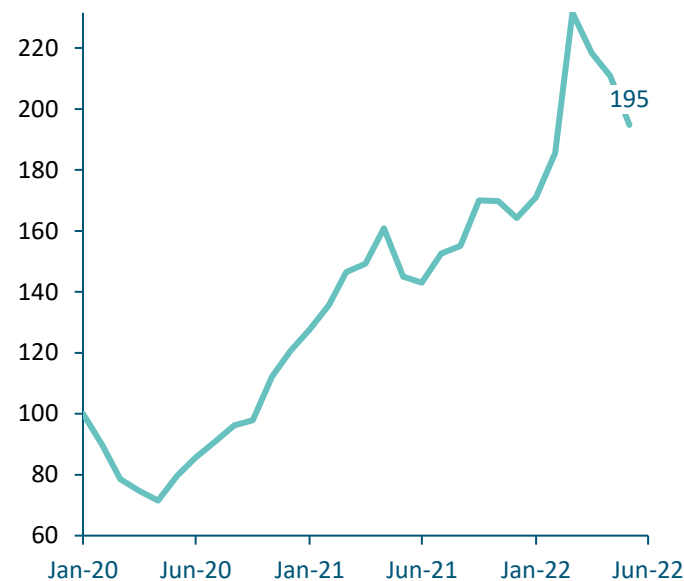
SELECTED COMMODITY SNAPSHOTS (FAO)

FAO Food Price Index (rebased)⁽¹⁾



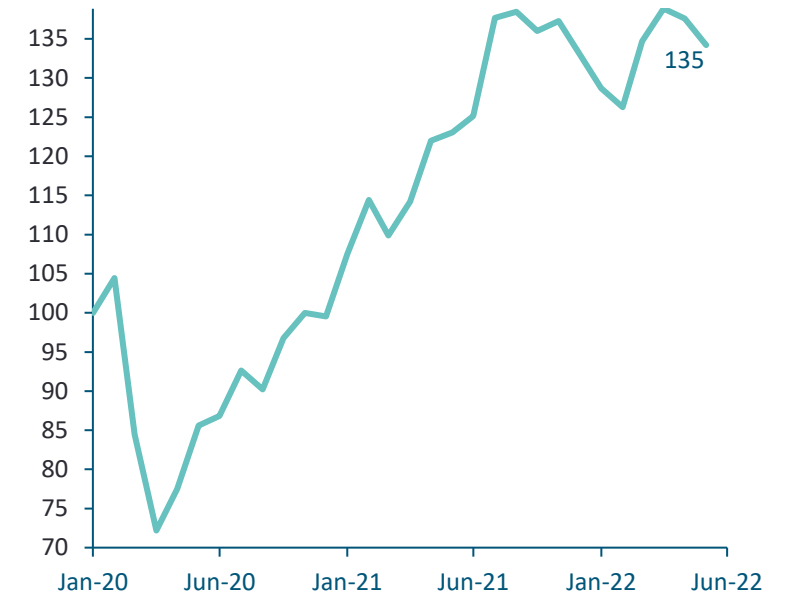
- FAO Food Price Index reached highest level in March since its inception in 1990 last quarter
- Q2 2022 saw three consecutive months of easing food price index led by significant drop in vegetable oils and cereal indices. Meat, sugar and dairy sub-indices also fell but to a lesser extent

FAO Vegetable Oils Index (rebased)⁽²⁾



- The sharp rise of the index in Q1 2022 was driven by higher sunflower, palm, soy and rapeseed oil prices due to geopolitical reasons
- Q2 2022 saw sharp decline driven by falling world prices across palm, soy, rapeseed and sunflower oils

FAO Sugar Index (rebased)⁽³⁾



- Q2 2022 also saw decline in international sugar price index over concerns of demand on the expectation of further slowdown of global economy in 2022
- The decline also was triggered by the weakening of the Brazilian real against US Dollar

Unprecedented price levels were witnessed in Q1 2022 primarily due to the Russia-Ukraine conflict. The market has recently seen some correction, the sustainability of which is yet to be ascertained

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

(1) Food Price Index consist of average of 5 commodity group price indices (Meat, Dairy, Cereals, Vegetables oils and Sugar) weighted with average export shares of the groups

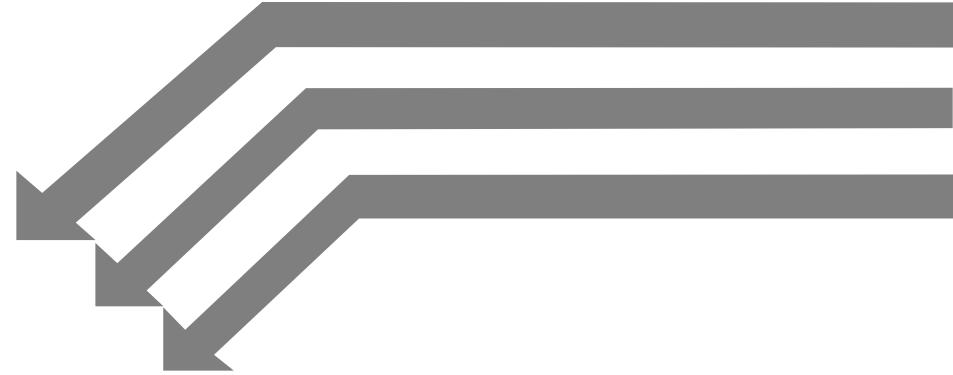
(2) Vegetable Oil Price Index consists of an average of 10 different oils weighted with average export trade shares of each oil product

(3) Sugar Price Index is an index form of the International Sugar Agreement prices

Note: FAO data rebased as of January 2020, numbers are rounded

1. Group Key Financial Highlights

2. Performance by Segment



Panda Retail Company



RETAIL - HIGHLIGHTS

Key Highlights

- Retail segment witnessed slight decline as expected on the back of our continued CXR program and closure of some stores as compared to the same period last year

Store Count

- Store count declined to 192 stores in total which includes 4 stores in Egypt

Revenues

- Panda recorded revenues of SAR 5.2 billion in the YTD period, 6% lower than last year
- The decrease was primary driven by basket size and customer count compared to last year, resulting from the renovation process under the CXR program

Profitability

- Panda reported gross margin of about 22% in YTD period in-line with same period last year
- Reported EBITDA of YTD period is SAR 266 million, compared to SAR 340 million last year; the decrease is mainly driven by trickle down effect of lower revenue

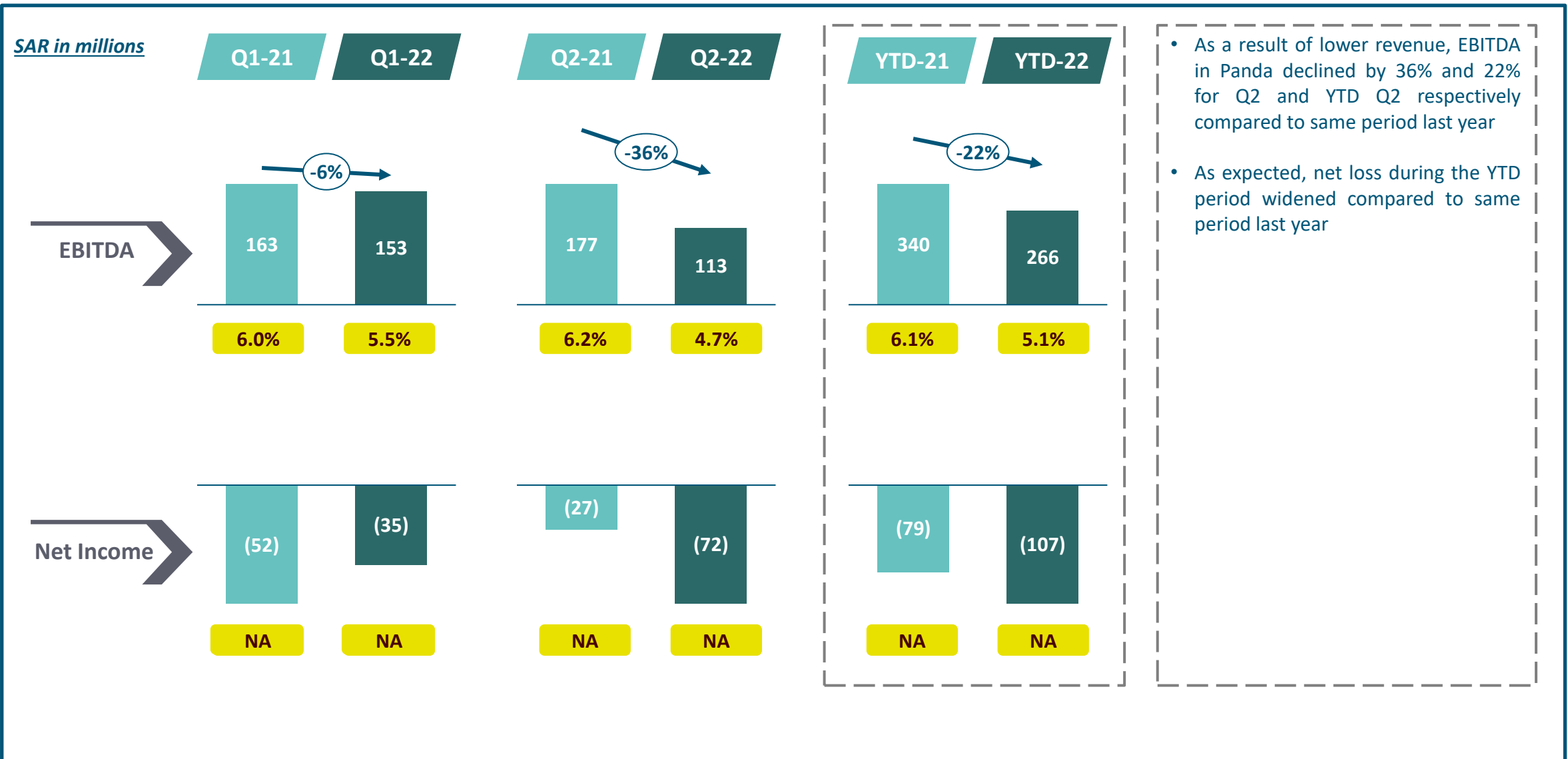
RETAIL – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



RETAIL – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin

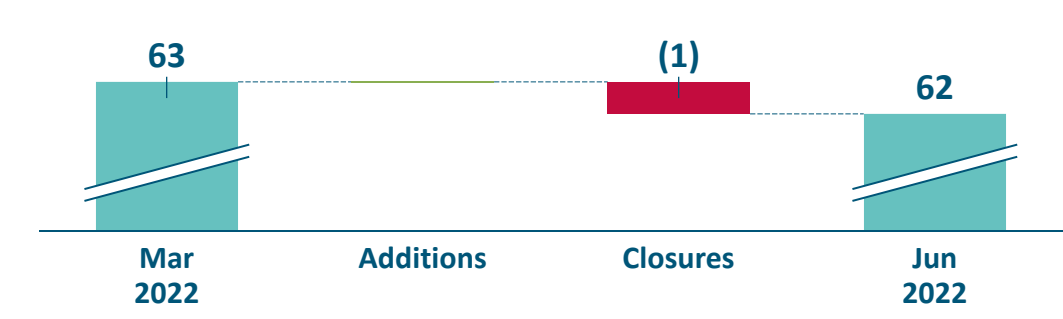


RETAIL – NUMBER OF STORES

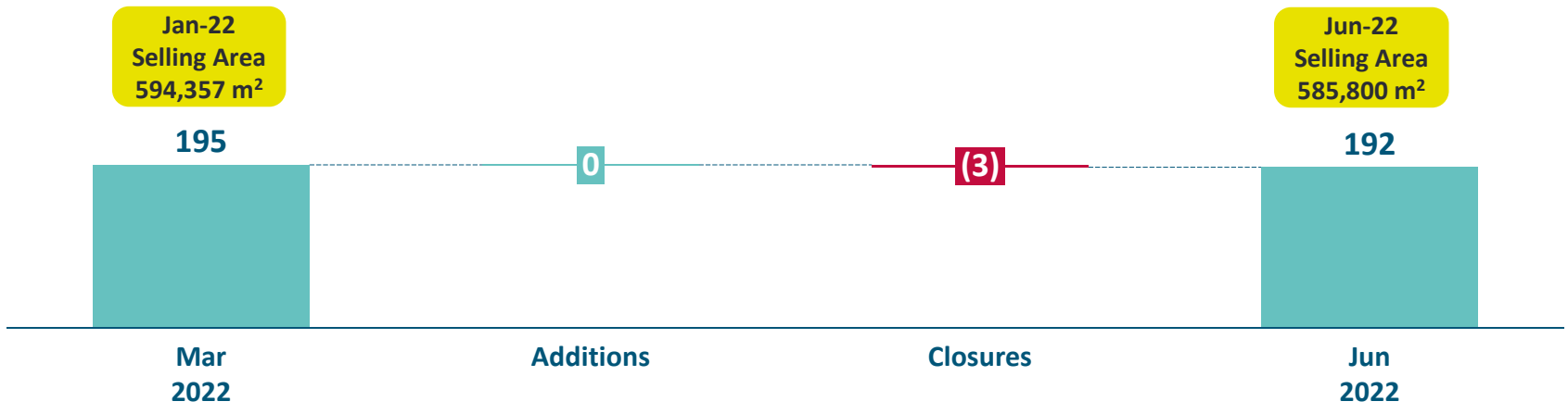
Super



Hyper



Total



Note: By 30th June 2022 , total of 13 stores have been closed compared to 30th June 2021; 3 stores closures of 2022 happened in June 2022

Savola Foods Company

FOODS – HIGHLIGHTS

Key Highlights

- The performance of our foods segment continued to show robust growth despite challenges in commodity prices and markets
- Sales from new categories of nuts, spices and pulses (NSP) contributed SAR 233 million in YTD period; the category saw successful relaunch of the product range under “Afia” brand name in KSA

Volume

- Foods segment overall volumes increased by around 5% in YTD June 2022 compared to last year
- Edible oils volumes increased by 8%; Sugar volume also saw an increase of 2%. Pasta volumes however declined by 19% due to lower B2C and exports

Revenues

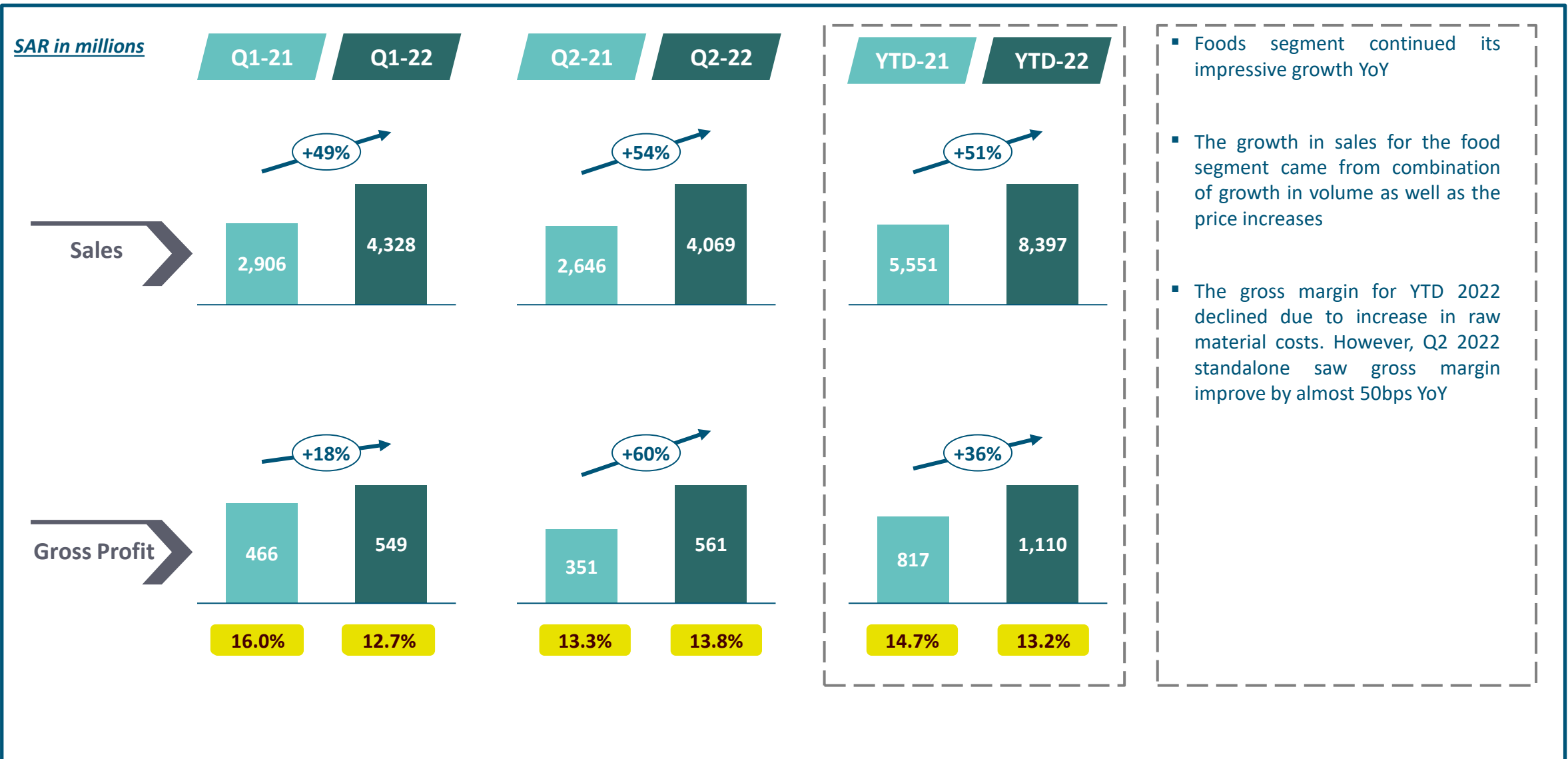
- Revenues increased by 51% in YTD June 2022 compared to last year
- The increase was driven by higher volumes and better pricing

Profitability

- Gross profit reached SAR 1,110 million in YTD June 2022; YoY growth of 36% while margins declined due to higher commodity prices
- YTD June 2022 EBITDA improved to SAR 720 million, 44% higher than last year
- Reported Net Income of SAR 271 million in YTD June 2022, 46% higher than last year

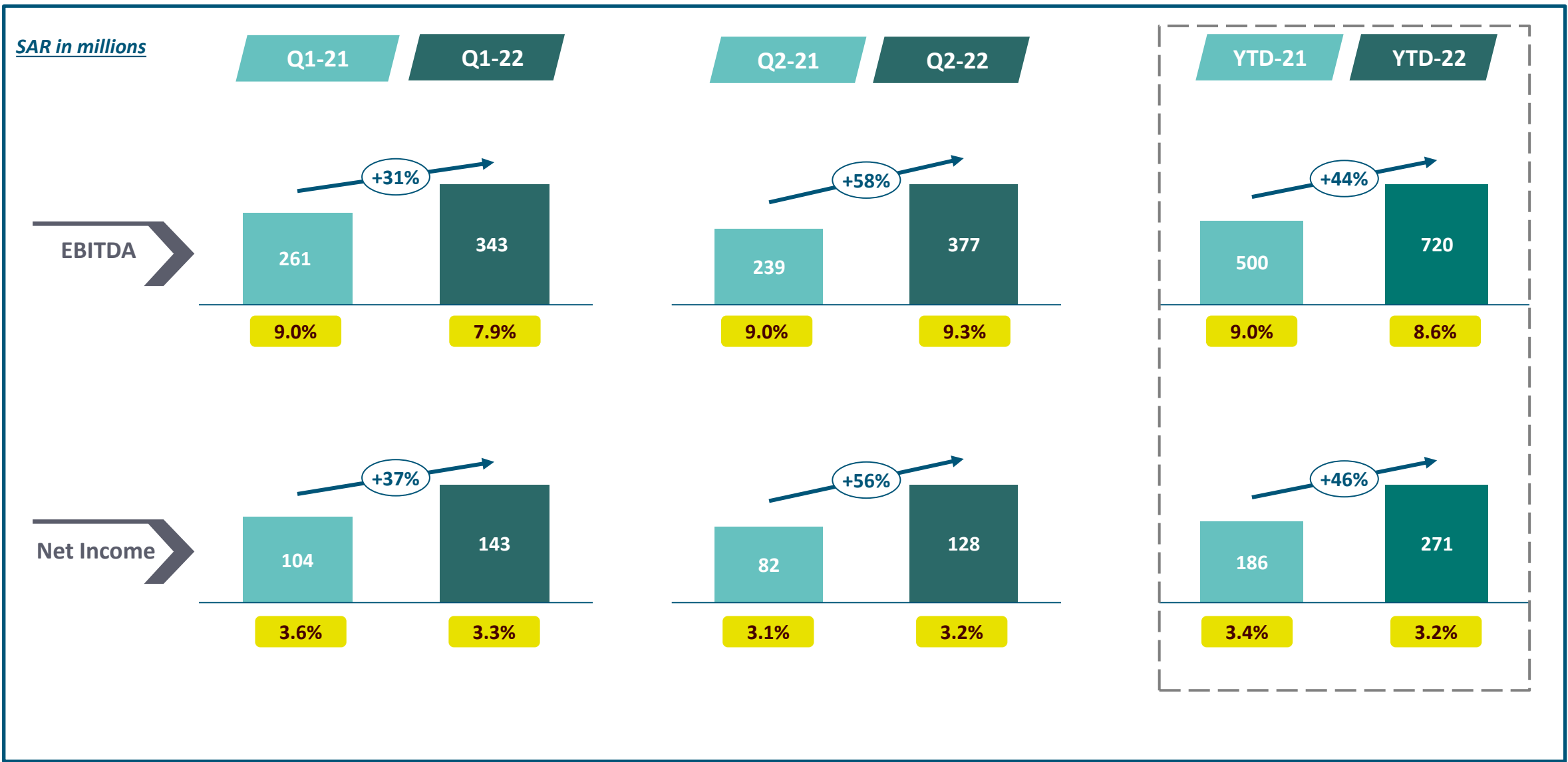
FOODS – FINANCIAL HIGHLIGHTS

Margin



FOODS – FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

FOODS – OIL SEGMENT ANALYSIS

SAR in millions

Volume (MT '000)

Revenues

YTD-21

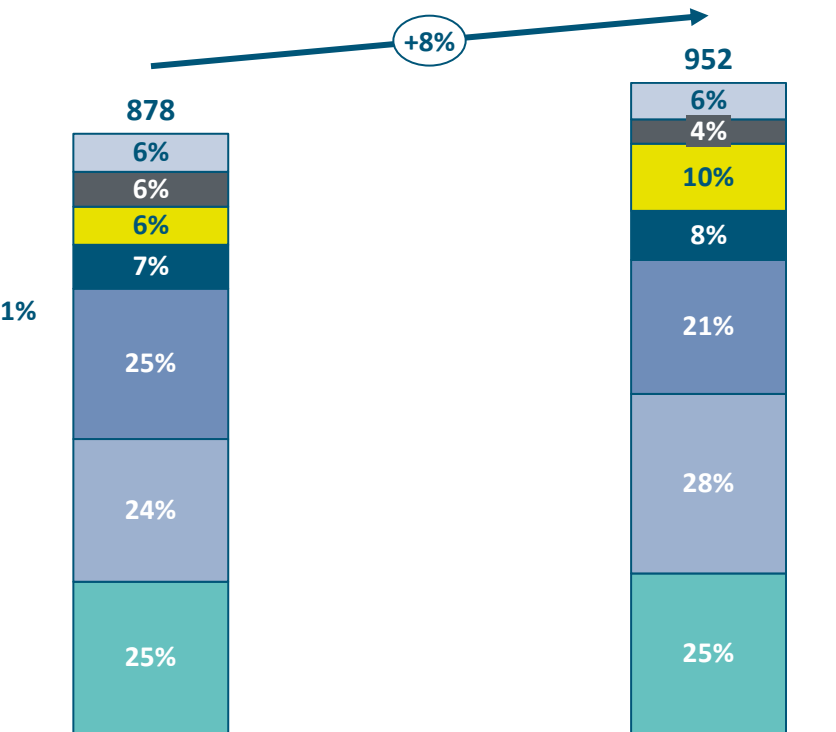
YTD-22

YTD-21

YTD-22

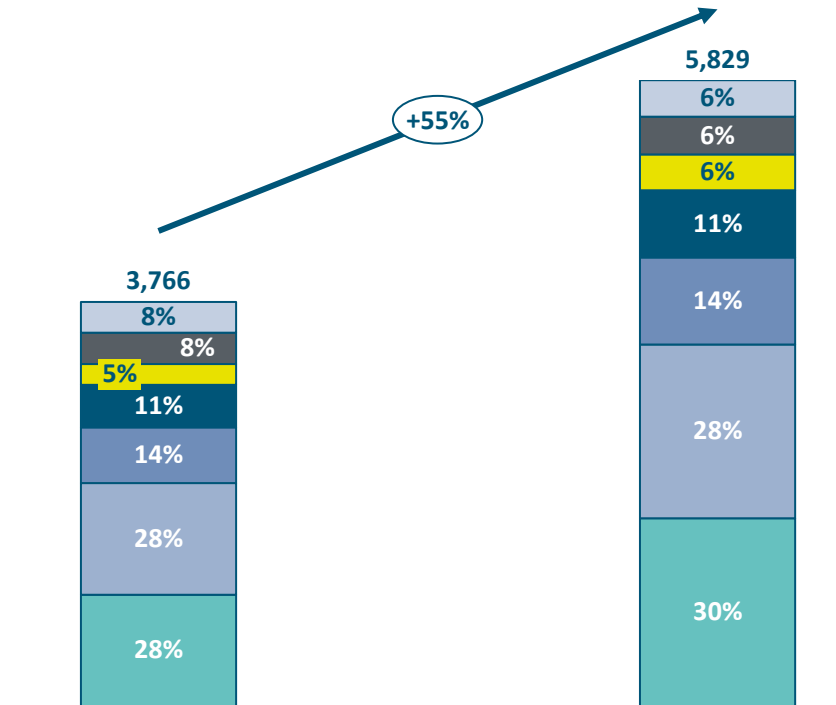
YoY Growth

- Morocco -5%
- Sudan -30%
- Algeria +76%
- Turkey +12%
- Central Asia -11%
- Egypt +26%
- KSA +5%



YoY Growth

- Morocco +19%
- Sudan +20%
- Algeria +72%
- Turkey +58%
- Central Asia +56%
- Egypt +56%
- KSA +68%

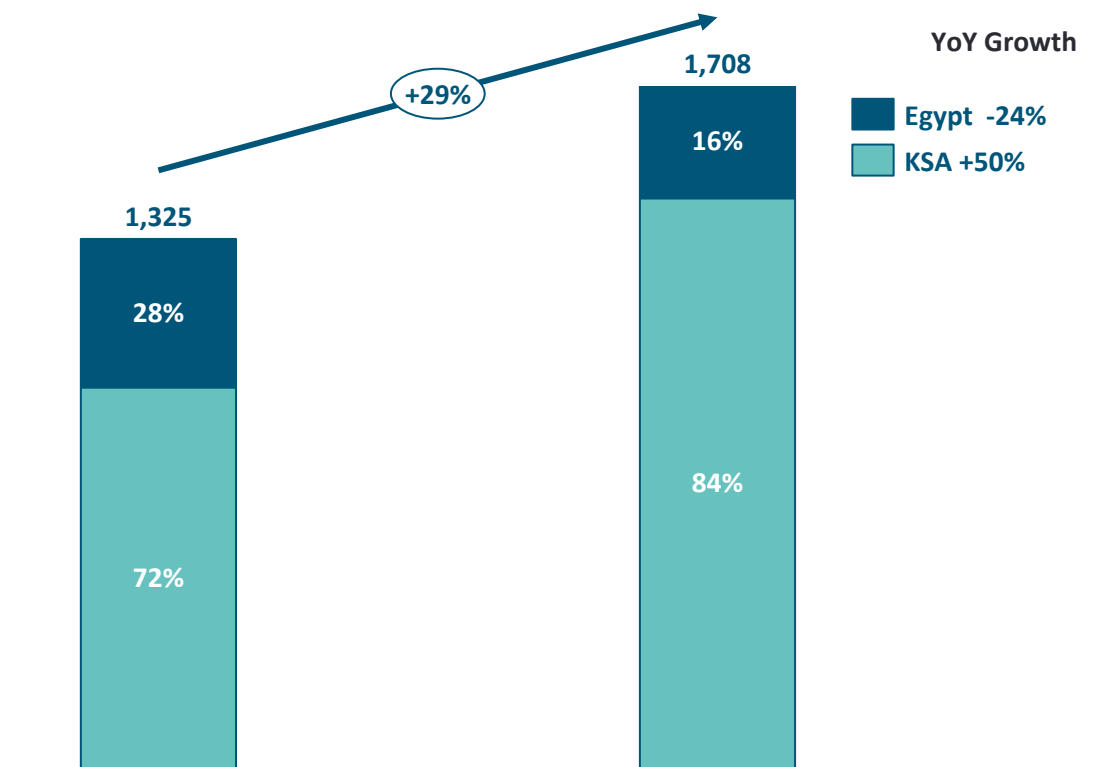
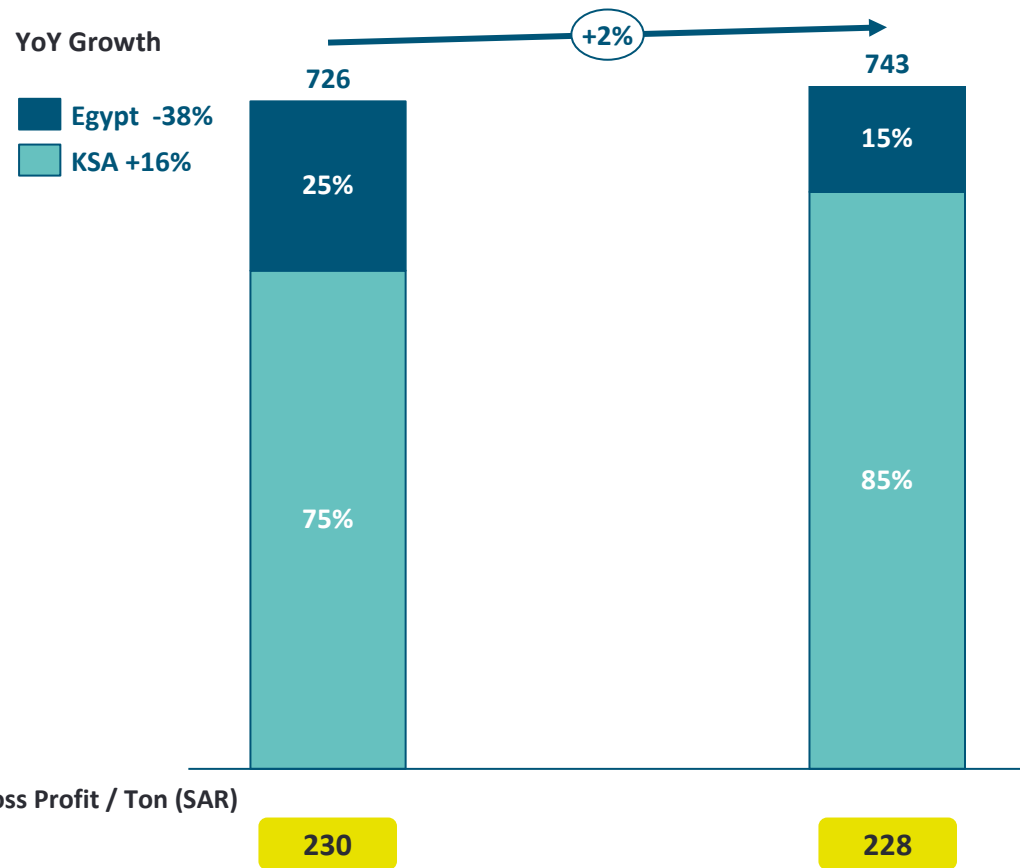


Gross Profit / Ton (SAR)

676

832

FOODS – SUGAR SEGMENT ANALYSIS



Note: Sugar volumes and revenues include only the contribution from our consolidated sugar operations (USC and ASC) and include the net volume and revenue from our KSA sugar distribution operations. Certain comparative amounts have been reclassified to conform with current year presentation

Note: numbers might not add up to 100% due to rounding

Al Kabeer Group of Companies



FROZEN FOOD - HIGHLIGHTS



Key Highlights

- The frozen food segment demonstrated resilience despite sourcing challenges and other continued impact of regulatory changes

Revenues

- Revenues registered 5% growth YoY in YTD 2022
- Al Kabeer reported revenue growth across sales channels with continued growth in HORECA channel whilst UAE growth was backed by Expo 2020

Profitability

- Gross profit of SAR 118 million in YTD 2022 in line with YTD 2021; margins witnessed some erosion due to higher input costs
- YTD 2022 reported EBITDA reached SAR 54 million with 15.4% margin; while net income of SAR 38 million with a 10.9% margin

FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

Margin



FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

Financial Summary



(All figures are in SAR millions)

Segment Wise Financials

	YTD 2022					YTD 2021				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food Processing*										
Oil-Mature Markets	4,806	700	397	187	448	2,994	529	241	118	289
Oil-Other Markets**	1,023	92	44	14	54	772	65	25	13	32
Total Oil	5,829	792	441	201	503	3,765	594	266	131	321
Sugar	1,708	170	111	43	149	1,326	167	108	56	151
Pasta	314	54	24	16	30	313	46	16	8	23
Nuts, spices and pulses	233	59	7	5	16	-	-	-	-	-
Emerging Categories***	313	35	14	5	22	147	10	(3)	(9)	6
Total Foods	8,397	1,110	596	271	720	5,551	817	387	186	500
Retail										
KSA	5,158	1,143	(13)	(110)	258	5,496	1,221	29	(80)	333
Egypt	78	16	4	3	8	67	15	2	1	7
Total Retail	5,236	1,159	(9)	(107)	266	5,563	1,235	31	(79)	340
Food Services (Herfy)	620	148	62	49	143	632	164	69	51	151
Frozen Food (Al Kabeer)	350	118	44	38	54	334	118	46	41	56
Share of profit from associates	-	-	392	392	392	-	-	303	303	303
HQ/Elimination/Impairments	(225)	(1)	(54)	(158)	(36)	(225)	(4)	(50)	(149)	(32)
Total	14,378	2,533	1,032	485	1,540	11,855	2,329	787	354	1,319

* All the numbers are rounded for the purpose of presentation and have been represented under different categories

** Other markets include Algeria, Morocco and Sudan

*** Includes specialty fats, seafood, croissant...etc.



Thank you