

Savola Group

Earnings Presentation | Q3 2024
Date: 03 Nov 2024

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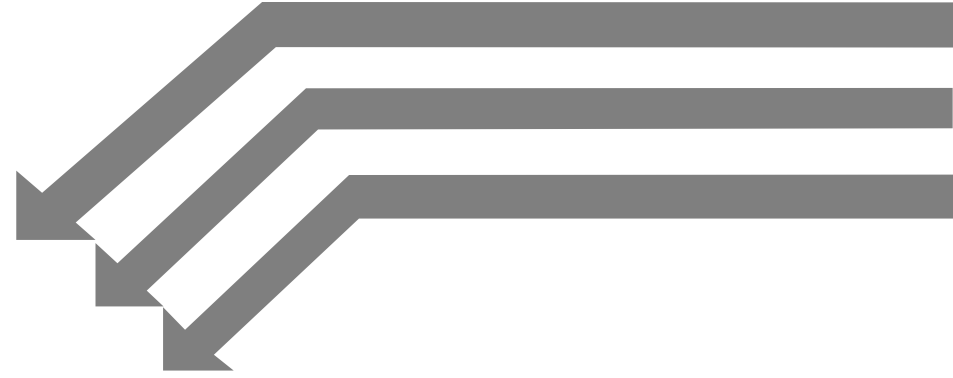
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Savola Group Key Highlights



Savola Group – Year to Date 2024 Highlights

Resilient Performance

Savola Group Performance	Savola Group overall profitability demonstrated resilience, with notable gains from Panda’s enhanced performance, and improvements in Savola Foods’ sugar segment despite facing challenges in specific regions and segments
Panda’s Profitability Path Continues	Panda reported net income of SAR 96mn in YTD Sep 2024 compared to Net Loss of SAR 22mn during the same period last year; primarily driven by sales growth on the back of CXR stores operational improvements
Savola Foods’ Resilient Performance	Savola Foods reported net income of SAR 294mn for the year-to-date period ending in September 2024, down from SAR 381mn during the same period last year. This decline is attributed to a drop in prices and volumes in the edible oil segment, FX losses of SAR 109mn due to the Egyptian Pound's devaluation in Q1 2024, and a net one-off loss of SAR 10mn in YTD September 2024, compared to a net one-off gain of SAR 41mn in YTD September 2023. However, the sugar segment showed improved year-over-year performance, driven by increased volumes.

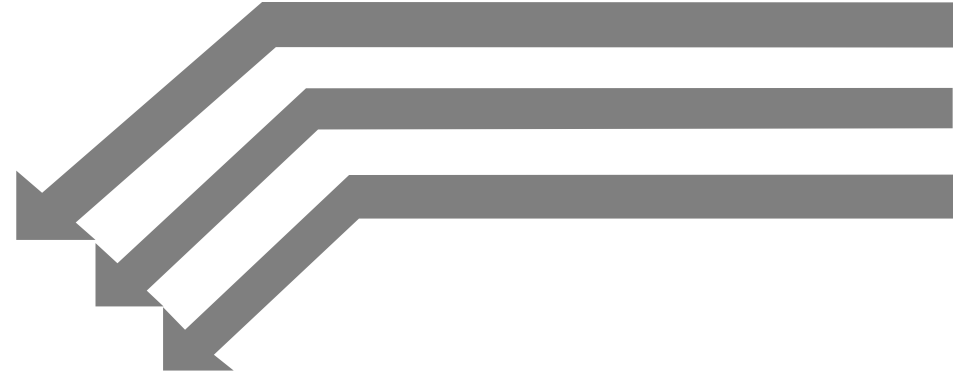
Stable Profitability

Gross Profit	The Group recorded Gross Profit of SAR 4.0 bn compared to SAR 4.1bn last year
EBITDA	The Group recorded EBITDA of SAR 2.5bn which is 2% higher compared to last year
Net Income	Net Income for YTD September 2024 stands at SAR 665mn, slightly lower than SAR 672mn in the previous year. This decrease is due to higher financial charges, including FX losses, and losses from Herfy. However, these were partially offset by Panda’s robust performance, and increased share of profits from associates

Almarai Distribution Transaction

Target Completion in December 2024	<ul style="list-style-type: none"> ▪ Rights Issue process completed in September 2024 ▪ CMA approved the application for capital reduction on 27th October 2024 ▪ EGM date to be confirmed to approve the Capital Reduction and Significant Transaction
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Group Financial Highlights



Savola Group – Consolidated Financial Highlights

Margin

SAR in millions

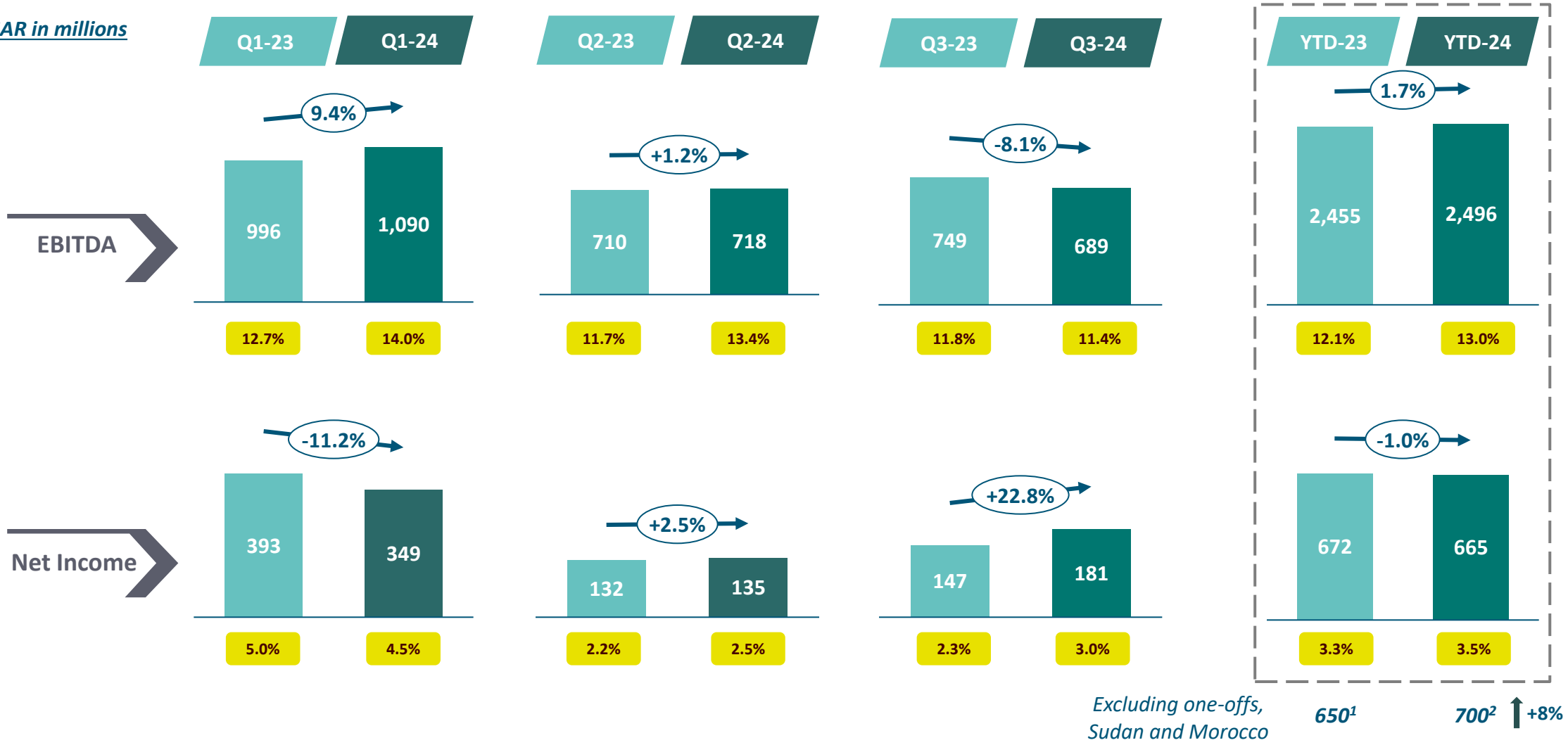


Note: numbers are rounded

Savola Group – Consolidated Financial Highlights

SAR in millions

Margin



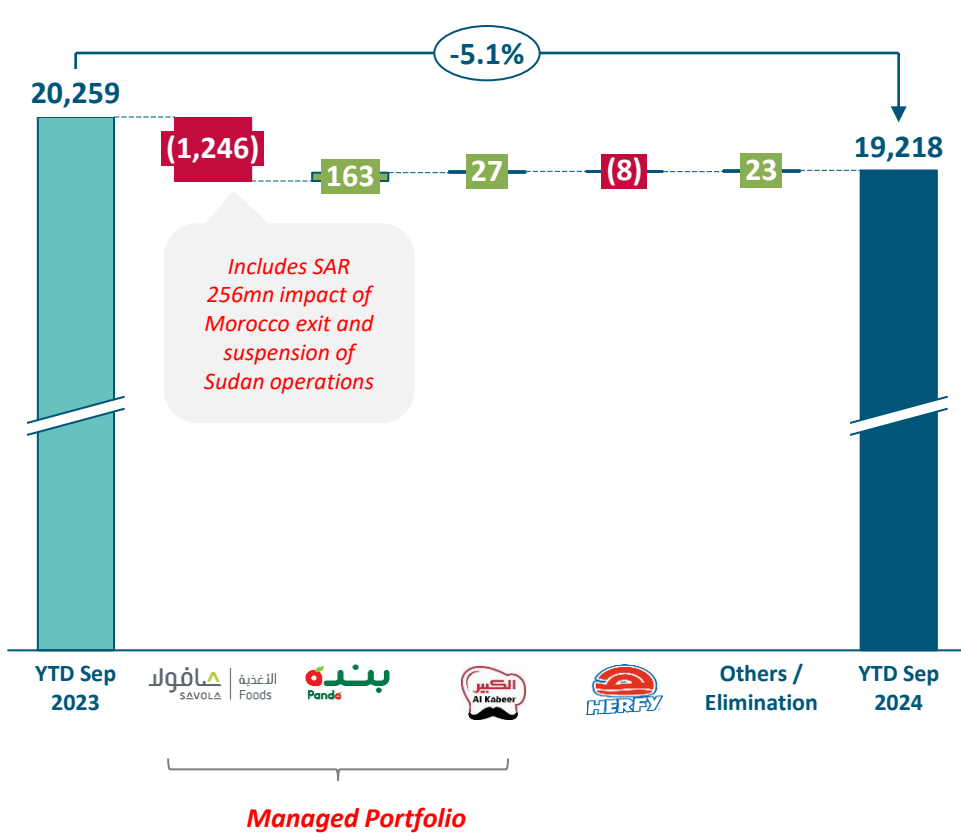
Note 1: YTD 2023 adjusted net income excludes one-offs related to Savola Foods on account of gain on Morocco exit, custom duty refund and impact of Sudan & Morocco
 Note 2: YTD 2024 adjusted net income excludes one-offs related to Savola Foods on account of Munchbox startup asset charge, custom duty refund and impact of Sudan & Morocco

Note: numbers are rounded

Savola Group – YTD Sep 2024 Revenue & Net Income Bridge By Business

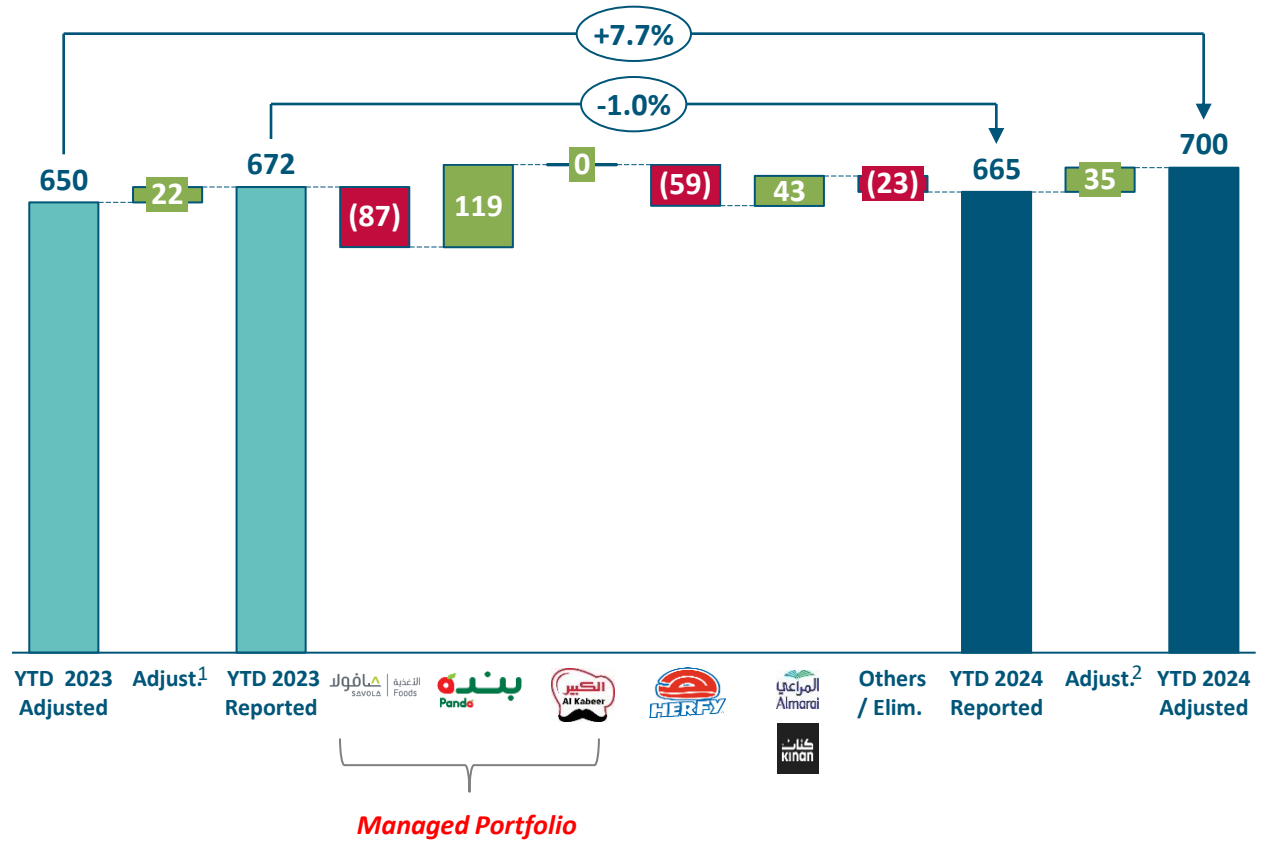
Revenue Bridge by Business

SAR in millions



Net Income Bridge by Business

SAR in millions



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

Note 2: YTD 2024 adjusted net income excludes one-offs related to Savola Foods on account of Munchbox startup asset charge, custom duty refund and impact of Sudan & Morocco

Note: numbers are rounded

Savola Group – Revenue Mix, Net Debt & Capex

SAR in millions

Revenue by Business¹



Revenue by Geography



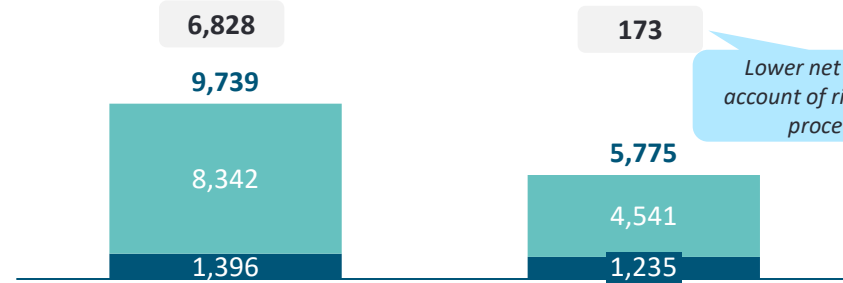
YoY Growth



Loans and Net Debt²



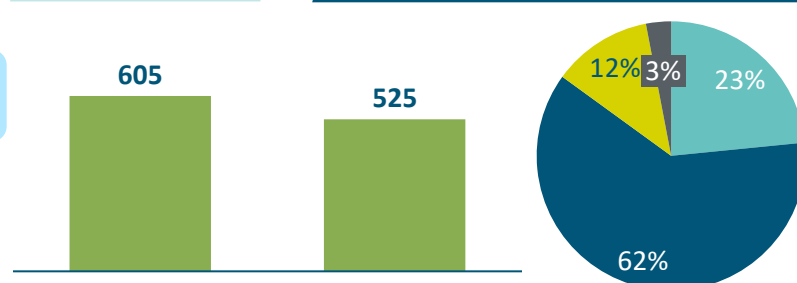
Net Debt⁴
Total Loans



KSA Non-KSA

Lower net debt on account of rights issue proceeds

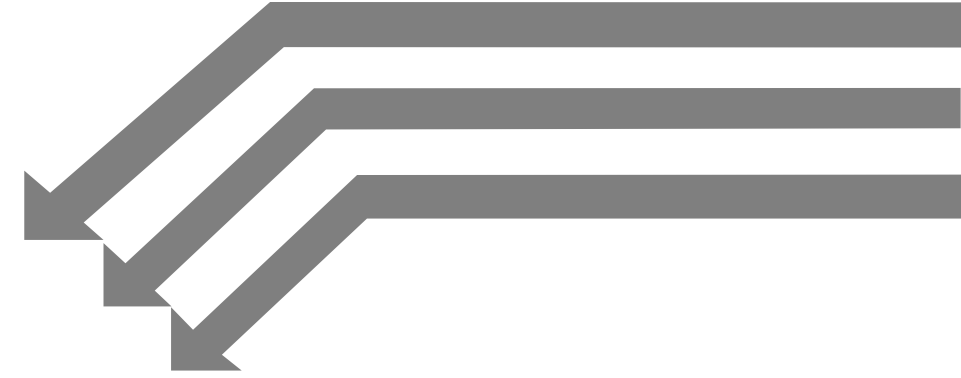
CAPEX



Savola Foods
Panda
Al Kabeer
Herfy

Note 1) Revenue breakdown is based on gross sales
 2) Net debt excludes lease liabilities
 3) Others impacted due to the loss of sales from Morocco exit and suspension of operations in Sudan
 4) Using rights issue proceeds, the Group settled debt of SAR 2.8bn during September 2024 and subsequently settled additional debt of SAR 3.1bn.

Savola Foods Company



Savola Foods – Consolidated Financial Highlights

Margin

SAR in millions



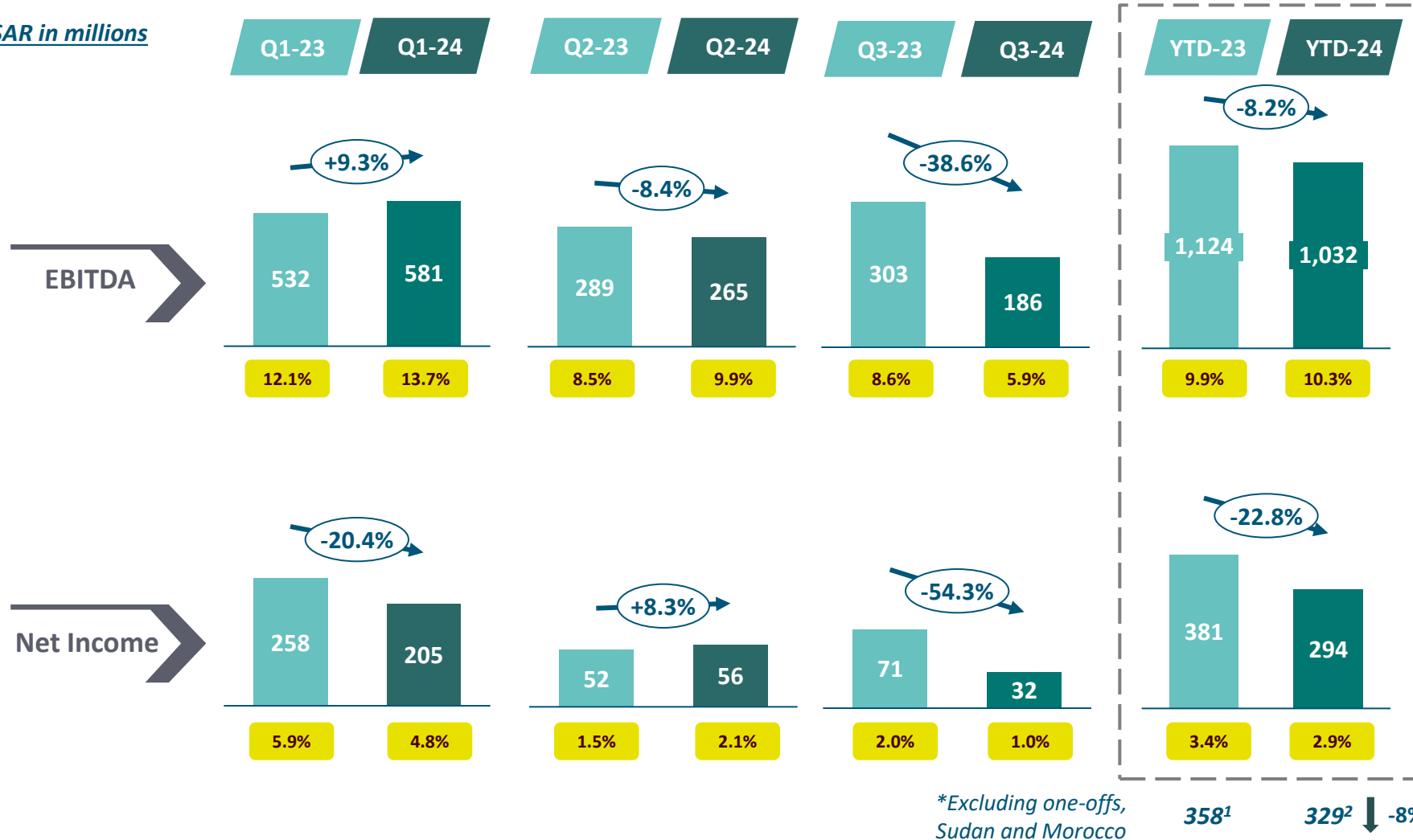
- YTD Sep 2024 Revenue declined by 11% YoY due to:
 - Lower crude edible oil prices and sold volumes,
 - Foreign exchange devaluation in Egypt,
 - Morocco exit, and
 - Suspension of operations in Sudan
- The decline in Revenue was partially offset by better volumes and Revenue in the sugar segment in both KSA and Egypt

*Adjusted for Morocco and Sudan

Savola Foods – Consolidated Financial Highlights

Margin

SAR in millions



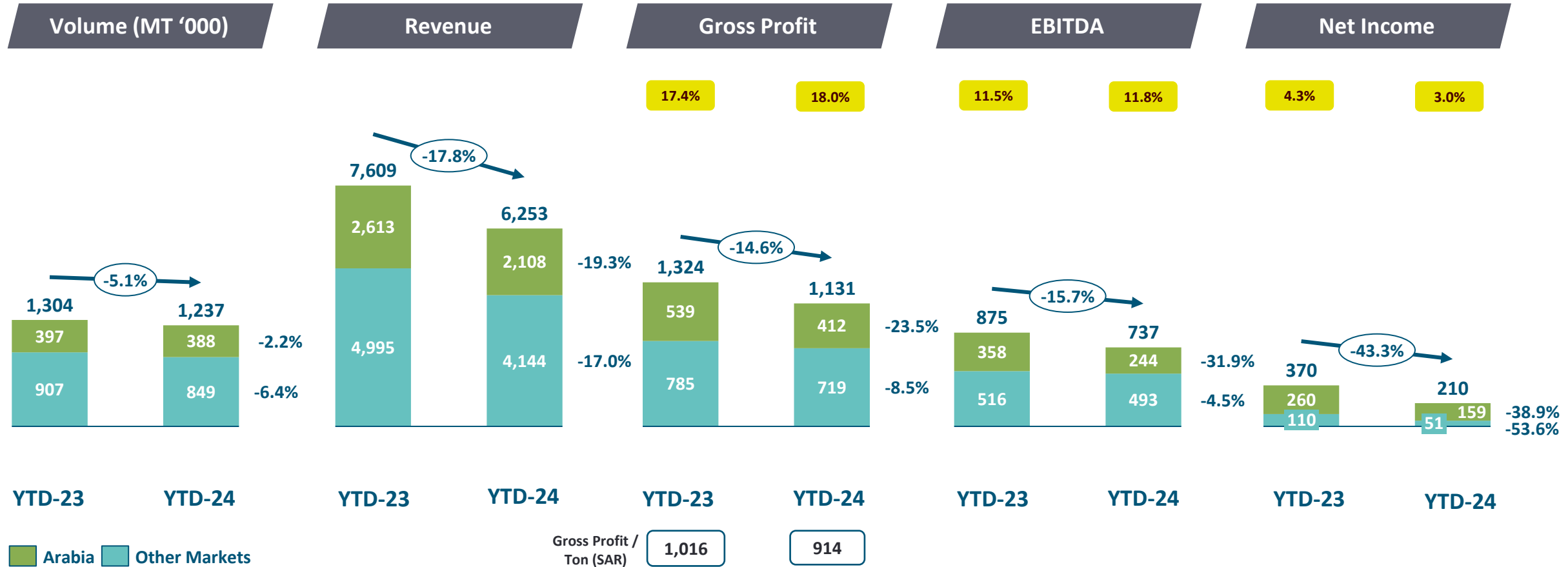
- Net Income declined 23% in YTD Sep 2024 compared to last year primarily due to:
 - FX losses upon EGP devaluation amounting to SAR 109mn,
 - One-time charge of SAR 29mn related to a startup asset under Munchbox
 - Higher one-off gains during the same period last year

Note 1: YTD 2023 adjusted net income excludes one-offs related to Savola Foods on account of gain on Morocco exit, custom duty refund and impact of Sudan & Morocco
 Note 2: YTD 2024 adjusted net income excludes one-offs related to Savola Foods on account of Munchbox startup asset charge, custom duty refund and impact of Sudan & Morocco

Savola Foods – Oil Segment Analysis

SAR in millions

Margin

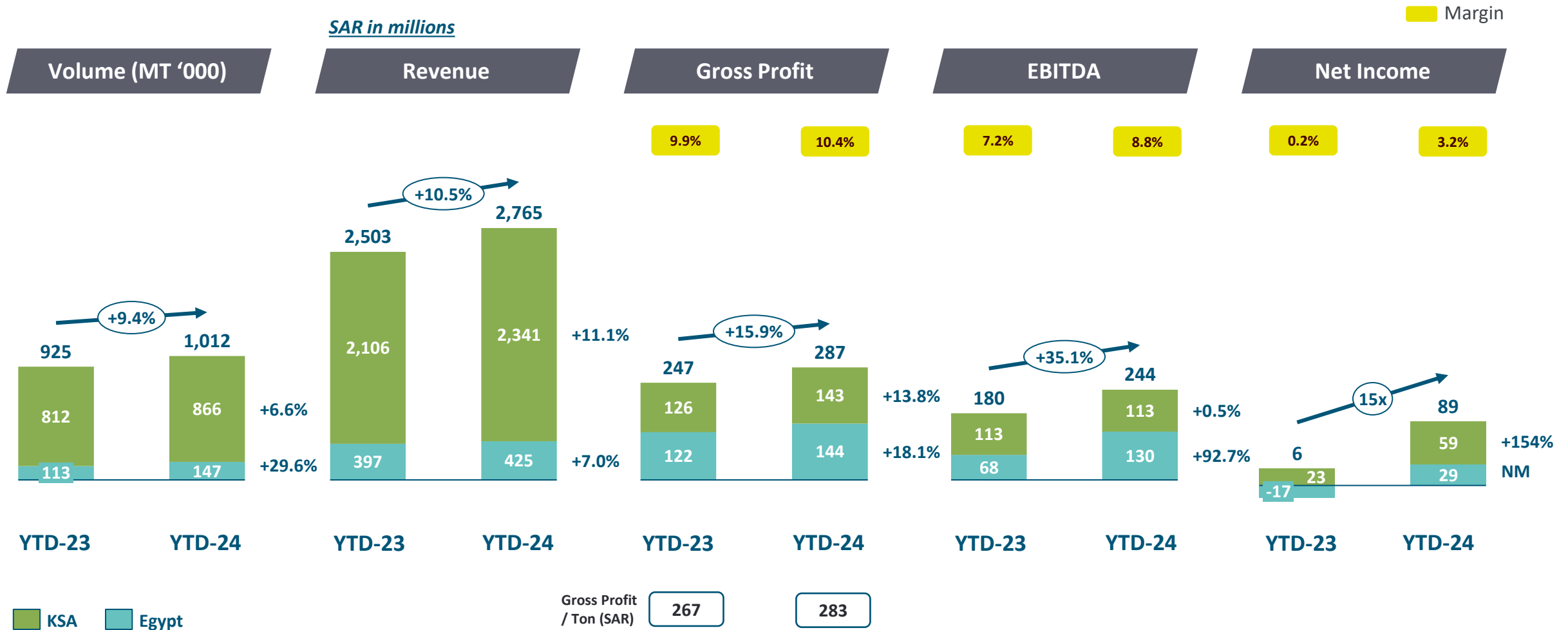


Revenue declined due to drop in crude edible oil prices and lower volumes; Net Income was also impacted by FX losses

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

Savola Foods – Sugar Segment Analysis



Sugar segment saw strong performance in YTD Sep 2024 driven by better volumes

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

Margin

SAR in millions

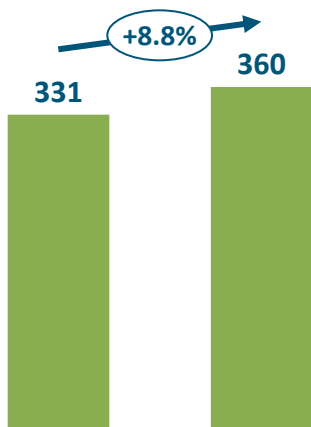
Revenue

Gross Profit

EBITDA

Net Income

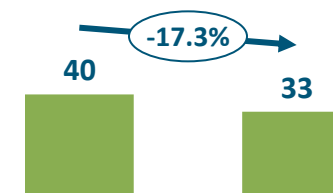
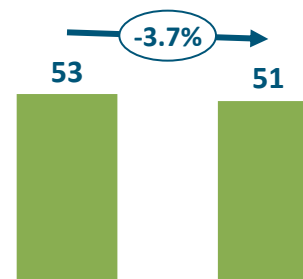
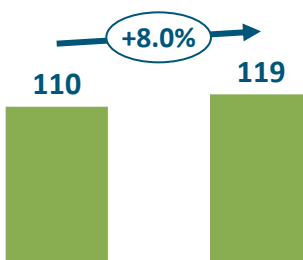
UAE



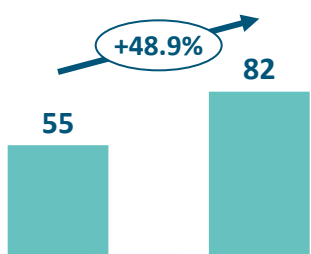
33.4% 33.1%

16.1% 14.2%

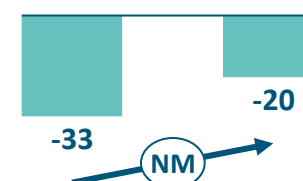
11.9% 9.1%



KSA



10.4% 27%



YTD-23 YTD-24

YTD-23 YTD-24

YTD-23 YTD-24

YTD-23 YTD-24

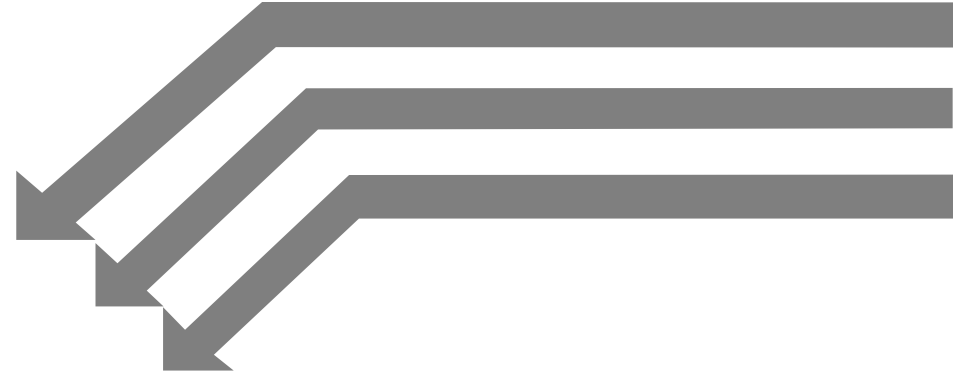
- Bayara UAE continues to grow, however profitability was impacted due to 1) increase in operating costs owing to the rollout of Bayara World stores, and investment in new products and innovation & others, and 2) recently introduced UAE corporate income tax
- Bayara KSA, under the Afia brand, continues to scale up its on the ground operations

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

Panda Retail Company



Panda – Consolidated Financial Highlights

Margin

SAR in millions



- YTD Sep 2024 Revenue increased YoY by 2% mainly driven by performance of completed CXR stores and new store openings
- Overall growth is muted by the deconsolidation of electronics segment due to partnership with Extra as well as continued disruptions of stores undergoing CXR implementation
- The growth in Gross Profit is driven by higher revenue and improved margins in YTD Sep 2024 by 60bps YoY on the back of favorable sales mix

Panda – Consolidated Financial Highlights

Margin

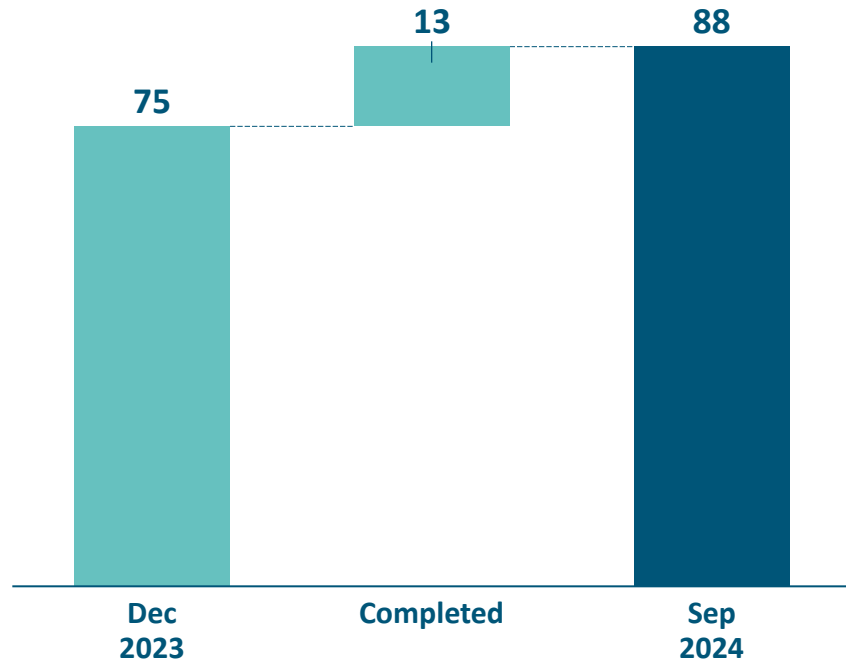
SAR in millions



- EBITDA continues a positive trend in YTD Sep 2024 compared to LY, mainly due to higher revenue and improved gross margin
- Panda will continue to invest in expanding its footprint and in new omnichannel initiatives in the coming years

Panda CXR Update

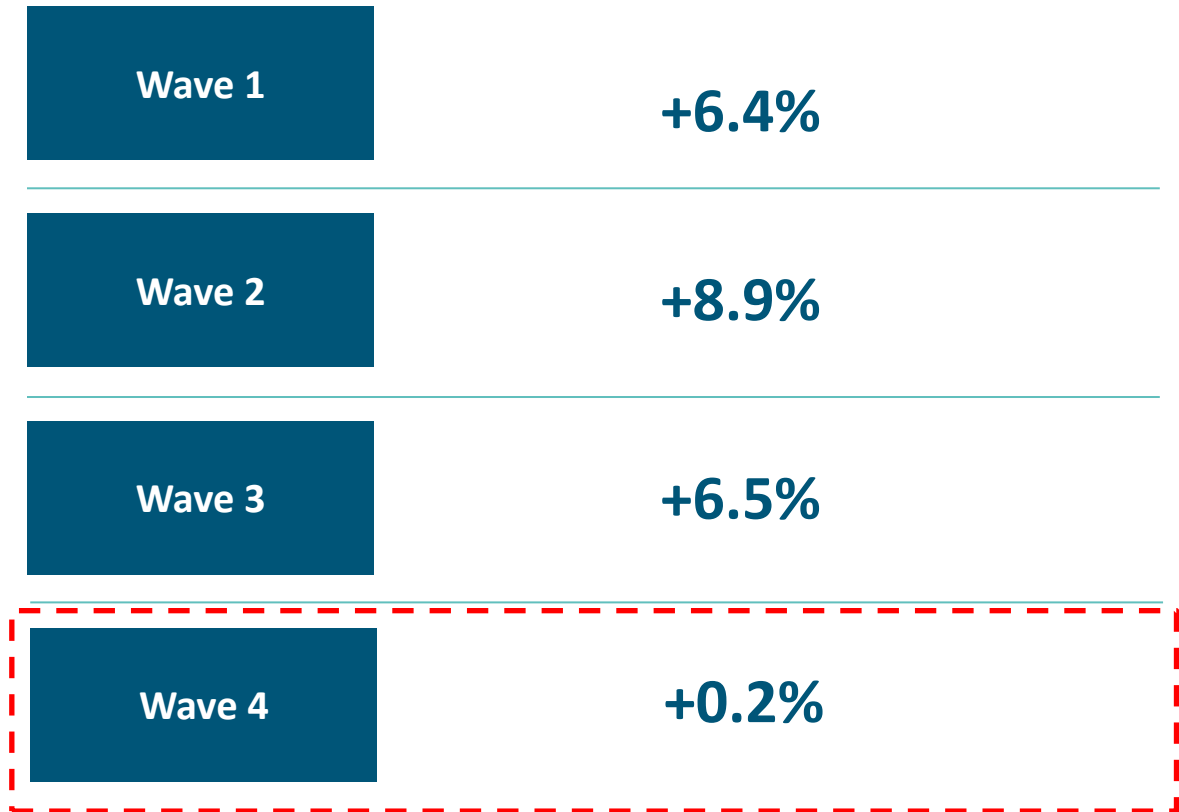
CXR Update



- In Wave 4, Panda completed 13 CXR stores at the end of Q3 2024
- The previously completed 75 stores continued to show healthy growth in revenues

Completed CXR performance

YTD Sep 24 vs. LY



Panda – Store Network YTD 2024

Super



Hyper

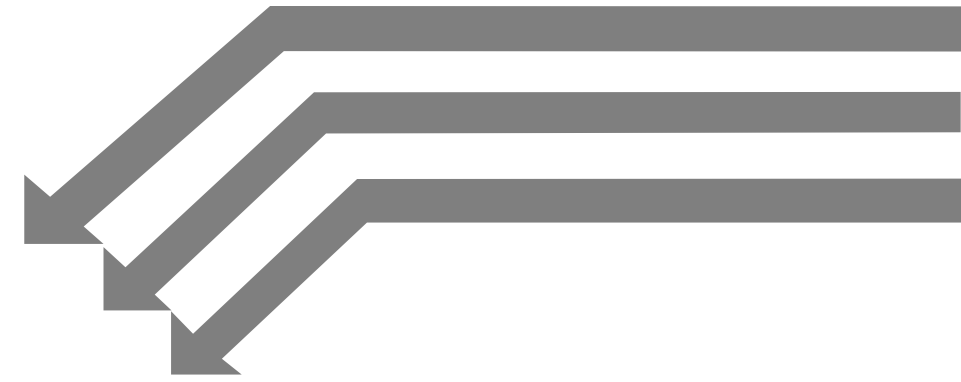


Total



- 5 new stores in KSA during Q3 2024
- 1 new store in Egypt during H1 2024
- Total store count: 193 stores in KSA and 6 in Egypt

Al Kabeer



Al Kabeer – Consolidated Financial Highlights

Margin

SAR in millions

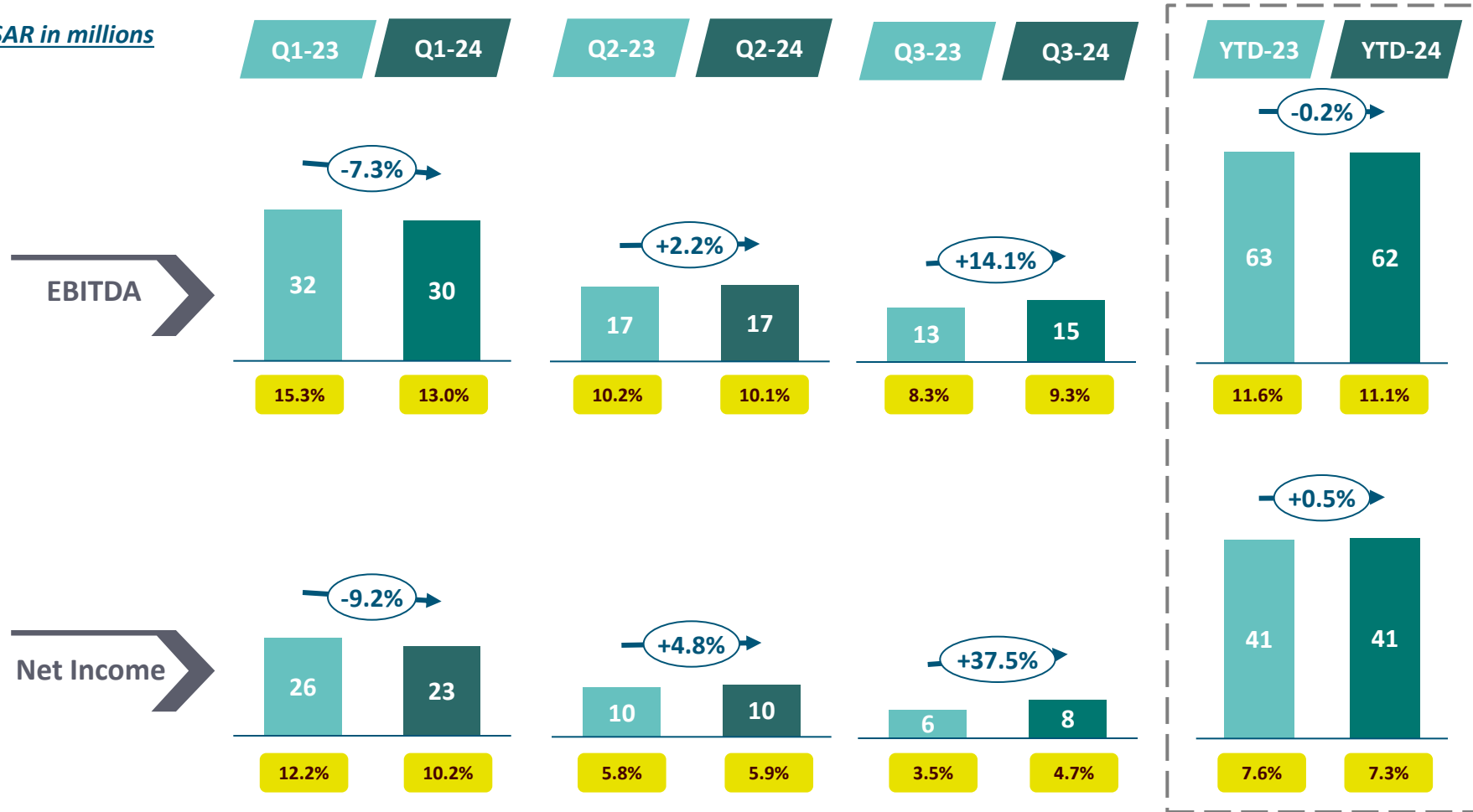


- During YTD Sep 2024, Al Kabeer reported a Revenue growth primarily driven by:
 - Improved volumes in most product categories
 - Growth in its core KSA and UAE markets
 - Continued growth in modern trade, HORECA and traditional trade channels
 - New product launches and innovation
- Gross Profit increased YoY due to higher sales and better gross margin

Al Kabeer – Consolidated Financial Highlights

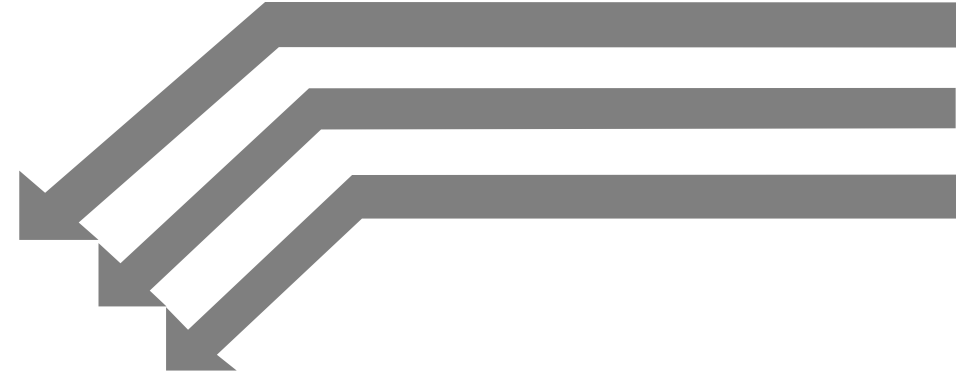
Margin

SAR in millions

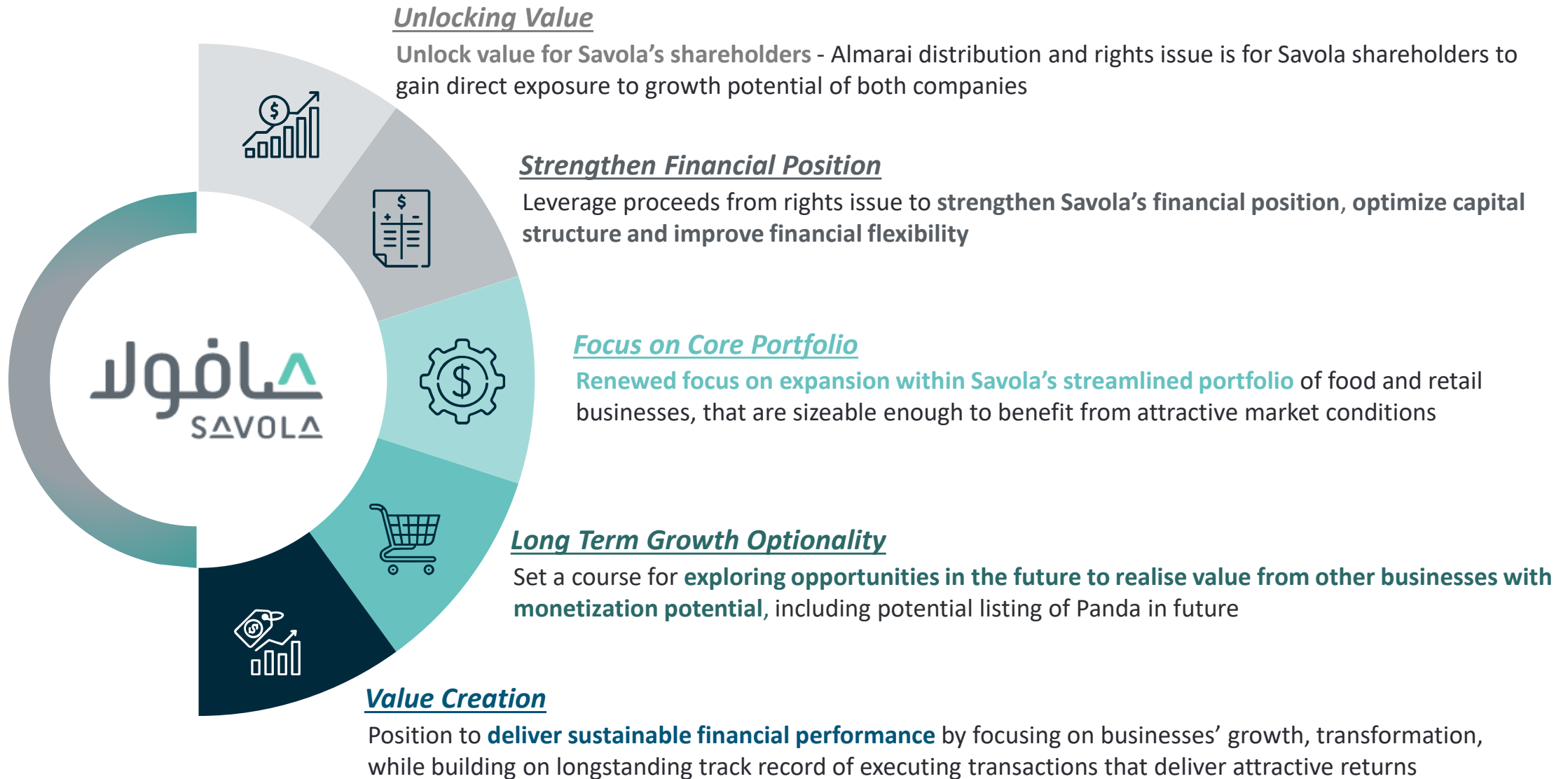


- EBITDA remains flat as Al Kabeer continues to spend towards marketing & branding efforts along with product innovations
- YTD Sep 2024 Net Income includes impact of corporate income tax introduced in the UAE from 2024

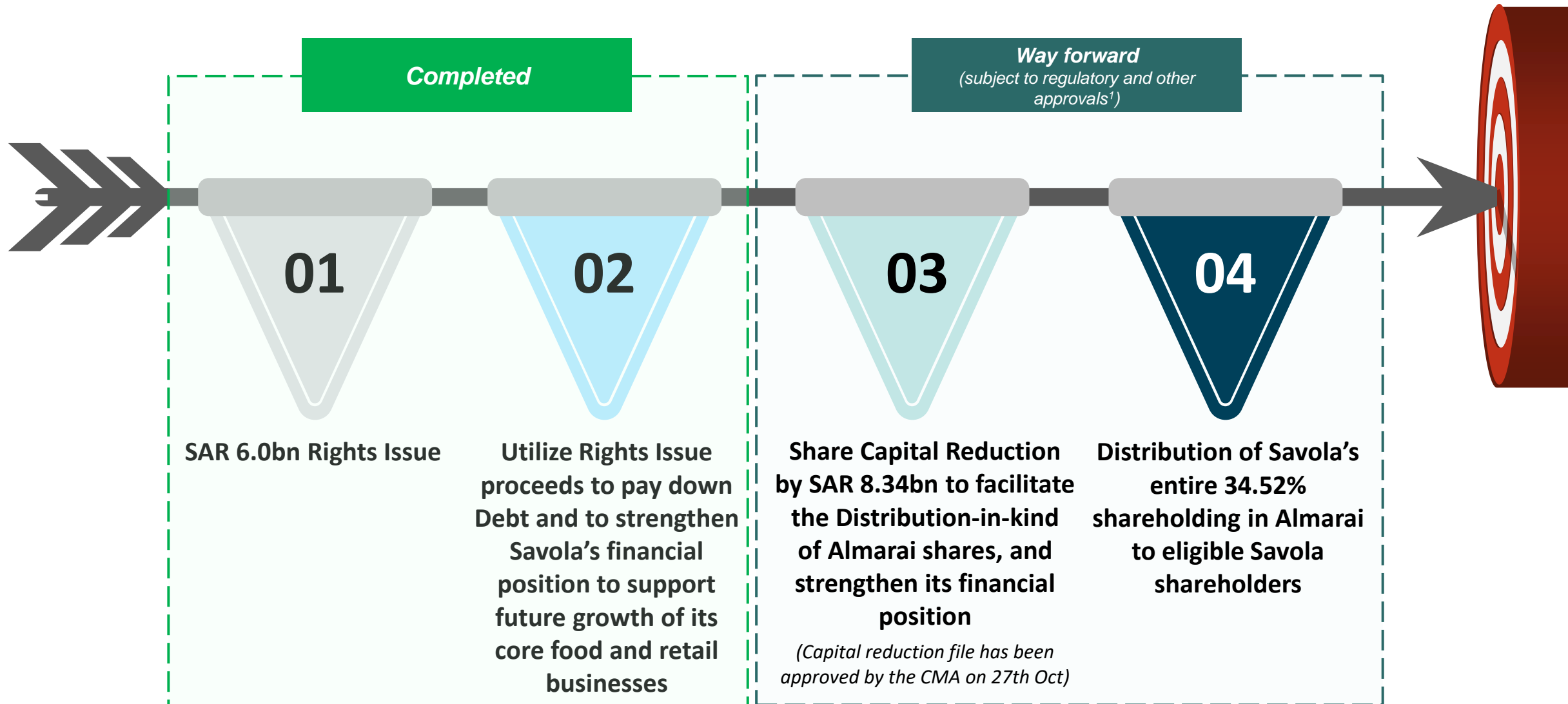
Rights Issue and Distribution Transaction Update



Recap of the Strategic Transaction Rationale



The Transaction Summary



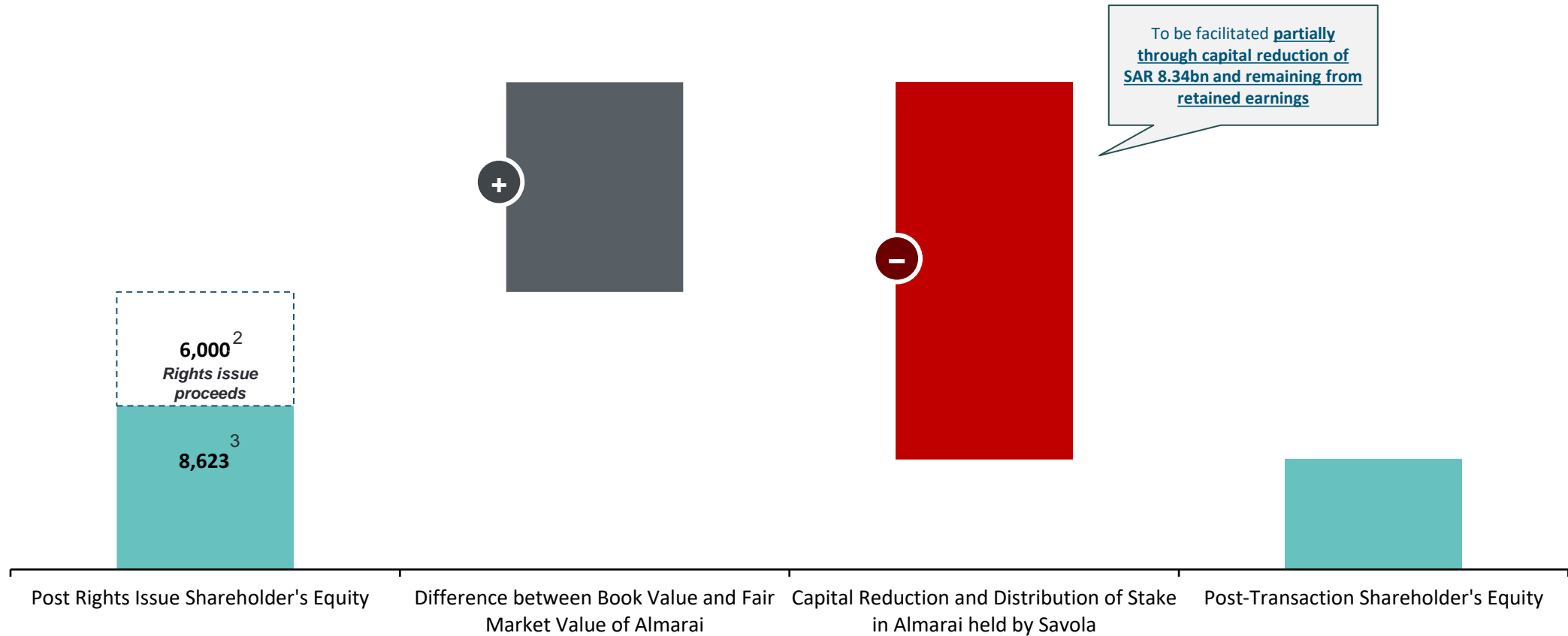
Note:

(1) Subject to the no creditors' objection and EGM approval

Illustration of Movement in Shareholders' Equity with Four Interlinked Components

This is subject to shareholders approval at the EGM, no objection from creditors and any other regulatory approvals. Actual amounts would be determined on the date of eligibility.

Illustrative Impact on Savola's Shareholders' Equity¹ (SAR mn)



Note:

(1) Based on Q2'FY24 financial statements of Savola Group Company; (2) Excludes rights issue offering expenses; (3) Equity attributable to owners of the Company in the Group's financial statements as of 30 June 2024

Capital Reduction and Distribution in Kind – How are they connected?

As part of this transaction, the Savola (“the Company”) will distribute its entire stake in Almarai partially through reduction of share capital and balance through utilization of retained earnings

Illustrative Impact of Almarai Distribution on Shareholders’ Equity¹

Distribution of entire stake held in Almarai (34.52% of Almarai) consisting of 345,218,236 shares (with a Book Value of SAR 9.0bn¹) will be done through:

Via Capital Reduction

SAR 8.34bn

will be reduced from Savola’s share capital to partially aid the distribution of stake held in Almarai
(subject to no creditors’ objection and EGM approval)



Via Retained Earnings

Remaining stake in Almarai will be distributed from retained earnings based on the Fair Value
(subject to EGM approval and in accordance with applicable regulations)

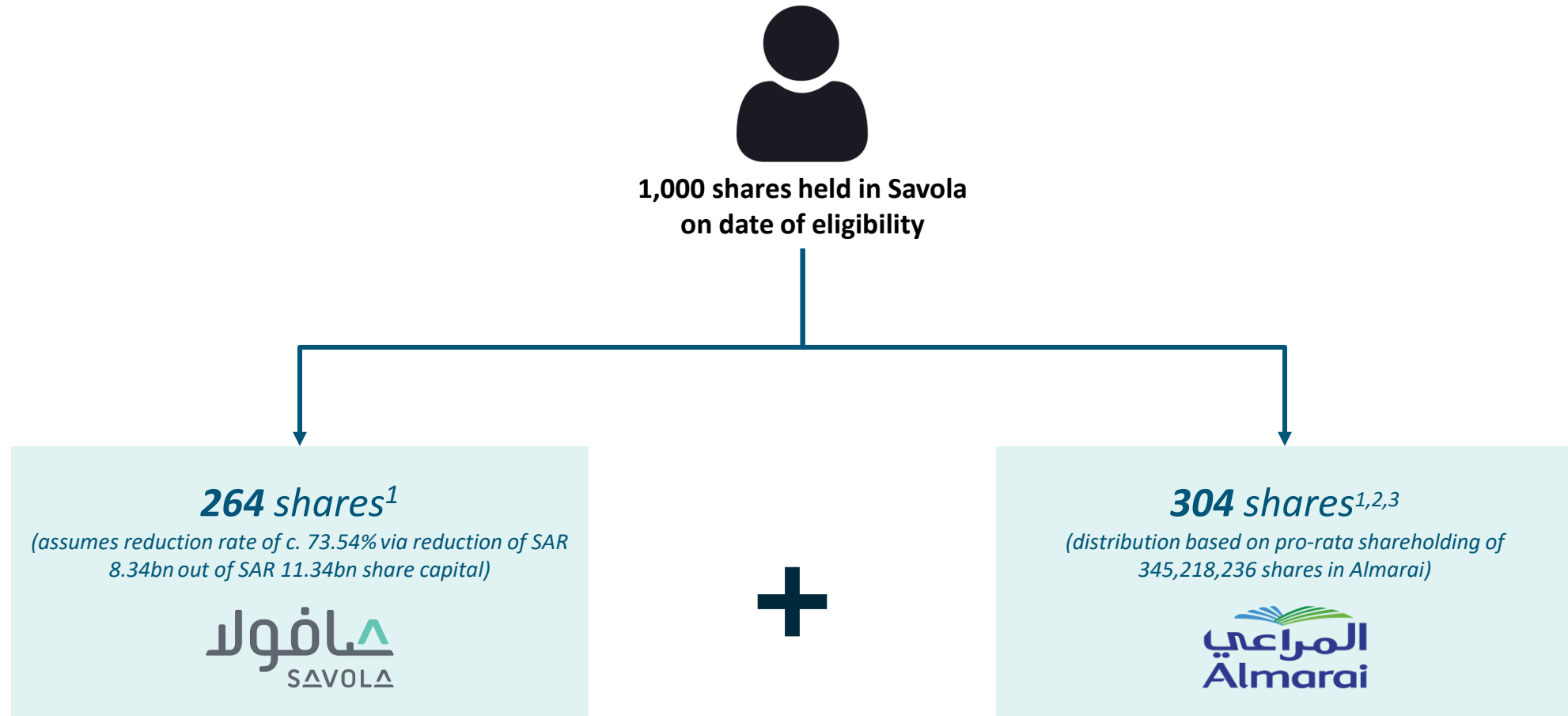
Note:

(1) Book value of Almarai as of 30 Sep 2024

Potential Impact of the Proposed Transaction (Illustrative example)

This is subject to shareholders approval at the EGM, satisfactory completion of creditors objection period and any other applicable regulations

SAVOLA SHAREHOLDERS' PERSPECTIVE (ILLUSTRATIVE EXAMPLE)



Notes: Above computation excludes adjustments for fractional shares (if any) which will be settled in cash

(1) It does not include any related impact of fractional shares

(2) Shareholder receives 1 Almarai share for every 3.28 Savola shares held on the date of eligibility (which translates to 0.3044 which refers to the ratio for the entire distribution in kind of 345,218,236 ordinary shares held of Almarai attributable to 1,133,980,684 ordinary shares of Savola (i.e. prior to Capital Reduction))

(3) In accordance with applicable regulations

Indicative Timeline Ahead

This is subject to shareholders approval at the EGM, satisfactory completion of creditors objection period and any other applicable regulations

Key Milestones and Timeline	
Milestone	Timeline
✓ CMA Approval on Capital Reduction	27 October 2024
✓ Publication of Capital Reduction Circular and Significant Transaction ¹ Circular	November 2024
✓ Expected EGM Approval on the Capital Reduction and Distribution in Kind (Significant Transaction ¹) ✓ Deposit Almarai Shares to Eligible Savola Shareholders' portfolios	December 2024

Note:

(1) Proposed distribution of entire 34.52% stake in Almarai by Savola

(2) Settlement of fractional shares from the transaction to be done within 30 days from receipt of EGM approval

Q&A

Financial Summary



Financials – Year to Date 2024

(All figures are in SAR mn)

	YTD Sep 2024					YTD Sep 2023				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Segment Wise Financials¹										
Savola Foods										
Oil										
Arabia ²	2,108	412	203	159	244	2,613	539	316	260	358
Other Markets ³	4,177	719	401	26	462	5,284	802	454	92	515
Total	6,286	1,131	605	185	706	7,898	1,340	770	352	873
Sugar										
KSA	2,341	143	70	59	113	2,106	126	71	23	113
Egypt	425	144	122	29	130	397	122	57	(17)	68
Total	2,765	287	193	89	244	2,503	247	127	6	180
Pasta	408	75	43	30	47	411	55	23	14	29
Nuts, spices and pulses										
UAE	360	119	38	33	51	331	110	41	40	53
KSA	82	22	(24)	(26)	(20)	55	6	(36)	(37)	(33)
Total	442	142	14	6	31	386	116	5	2	20
Emerging Categories ⁴	164	57	2	(16)	4	114	35	19	6	21
Total Foods	10,066	1,691	856	294	1,032	11,312	1,795	945	381	1,124
Panda										
KSA	7,927	1,944	216	92	721	7,776	1,859	115	(27)	579
Egypt	131	26	8	5	13	119	23	6	4	12
Total Retail	8,058	1,970	223	96	734	7,895	1,882	122	(22)	591
Herfy	869	184	(18)	(57)	111	876	209	29	3	160
Al Kabeer	564	191	51	41	62	537	180	46	41	63
Share of profit from associates	0	0	640	640	640	0	0	597	597	597
HQ/Elimination/Impairments	(338)	(6)	(106)	(350)	(82)	(362)	(7)	(106)	(327)	(79)
Total	19,218	4,030	1,646	665	2,496	20,259	4,059	1,632	672	2,455
Adjustments										
A. Savola Foods - Munchbox startup asset charge under Emerging Categories				29					-	
B. Savola Foods - Afia Custom Duty Refund				(19)					(23)	
C. Savola Foods - Gain on Morocco Divestment				-					(18)	
Adjusted Profit				675					631	

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