



# Earnings Presentation

## Q1 2017



## DISCLAIMER

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The Q1 2017 numbers are based on interim unaudited financials. The numbers will be updated based on audited financials, once available.

## GROUP – HIGHLIGHTS

- First time adoption of IFRS standards - Q1 2016 financials have been re-presented. As such, Herfy has been reclassified as subsidiary
- Retail segment turnaround is well underway; the business achieved a negative working capital position and the revised decentralized organization structure has been put in place
- Within the food segment, Egypt market continues to be challenging due to the economic conditions
- All legal formalities were completed with regard to the issuance of shares to EBRD and USCE has been deconsolidated
- Strategic investments continue to perform well with Herfy and Almarai net income contributions of SAR 52.7 million and SAR 119.9 million respectively
- Reported net profit of SAR 4.8 million; adjusted net loss of SAR 20.2 million after deducting the dilution gain of SAR 25.0 million

## Q1 2017 - SNAPSHOT

GROUP	<ul style="list-style-type: none"> <li>» Q1 2017 revenue of SAR 5.8 bn (Q1 2016: SAR 6.4 bn)</li> <li>» Q1 2017 net income SAR 4.8 mn (Q1 2016: SAR 119.4 mn)</li> <li>» Adjusted net loss of SAR 20.2 mn after adjusting for dilution gain</li> </ul>
RETAIL	<ul style="list-style-type: none"> <li>» Q1 2017 revenue of SAR 2.7 bn (Q1 2016: SAR 3.3 bn)</li> <li>» Q1 2017 net loss of SAR 229.4 mn (Q1 2016: SAR 31.5 mn)</li> </ul>
FOODS	<ul style="list-style-type: none"> <li>» Q1 2017 revenue of SAR 2.95 bn (Q1 2016: 2.92 bn)</li> <li>» Q1 2017 net income of SAR 110.7 Mn (Q1 2016: SAR 105.7 mn)</li> <li>» Dilution gain of SAR 21.5 mn recorded on deconsolidation of USCE</li> </ul>
HERFY	<ul style="list-style-type: none"> <li>» Q1 2017 revenue of SAR 275.0 mn (Q1 2016: SAR 283.6 mn)</li> <li>» Q1 2017 net income of SAR 52.7 mn (Q1 2016: SAR 53.4 mn)</li> </ul>
INVESTMENTS	<ul style="list-style-type: none"> <li>» Almarai recorded highest quarterly net income on record of SAR 328.3 mn</li> </ul>

## GROUP – CONSOLIDATED FINANCIAL SNAPSHOT

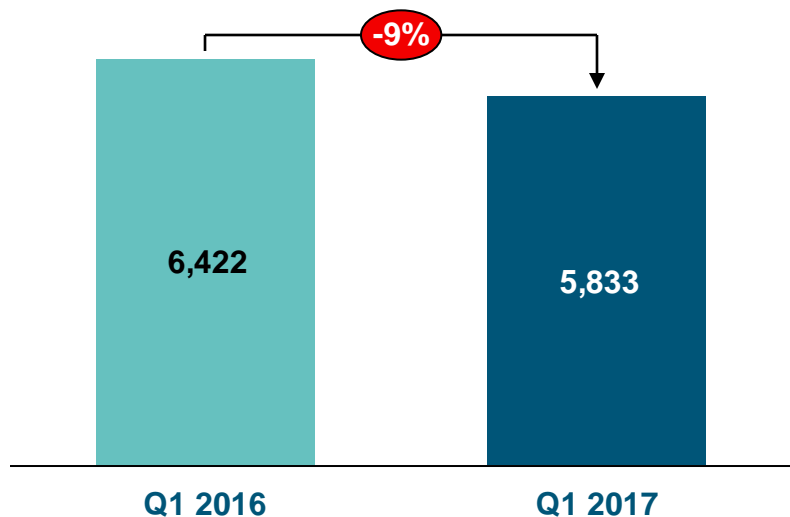
SAR Mn	Revenue	Gross Profit	EBIT	Net Income / (Loss)	Adjusted Net Income / (Loss)
Q1 2017	5,833 -9.2% vs. LY	1,040 -18.3% vs. LY	139 -58.9% vs. LY	5 -96.0% vs. LY	(20) Q1 2016: 140

# GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

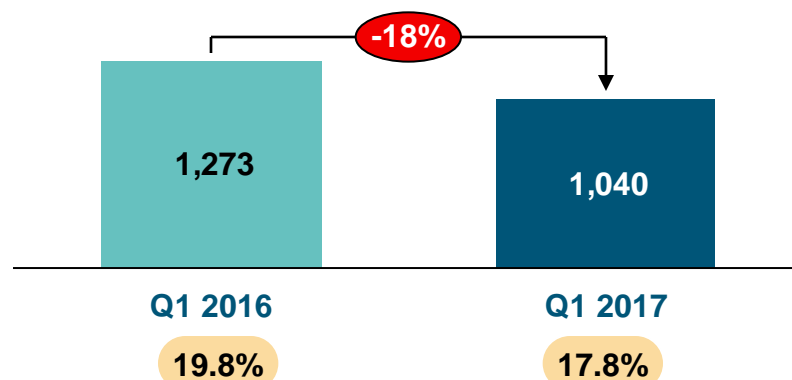
SAR Mn

● Growth ● Margin

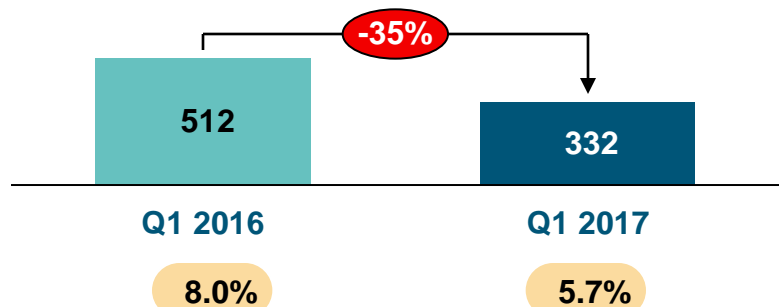
## YoY Sales



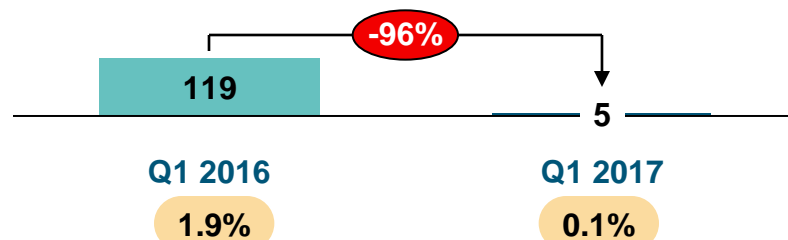
## YoY Gross Profit



## YoY EBITDA



## YoY Net Income



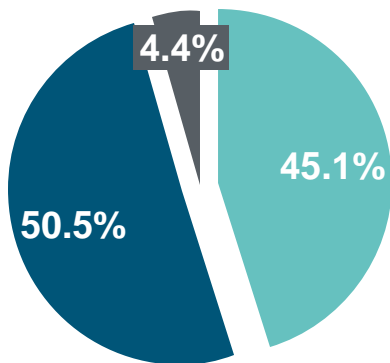
# GROUP – CONSOLIDATED REVENUE MIX, NET DEBT & CAPEX

SAR Bn

## Revenue by Business

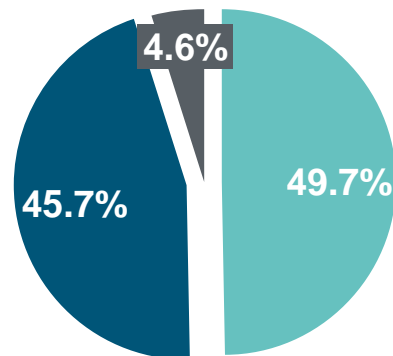
Q1 2016

SAR 6.4 Bn

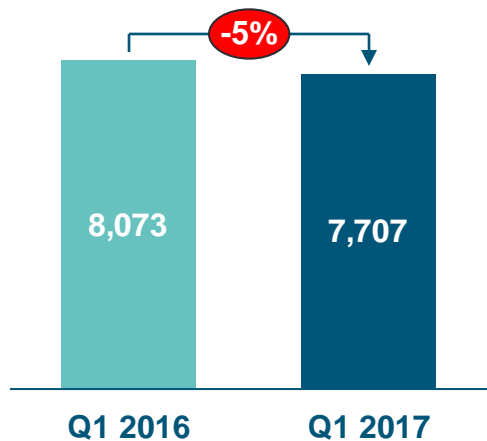


Q1 2017

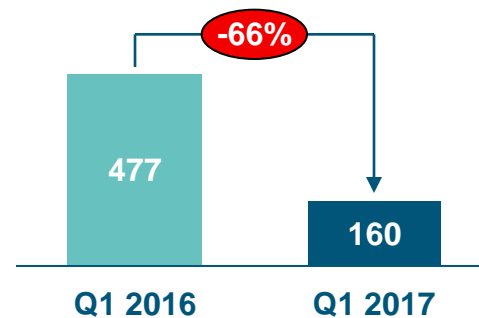
SAR 5.8 Bn



## Net Debt



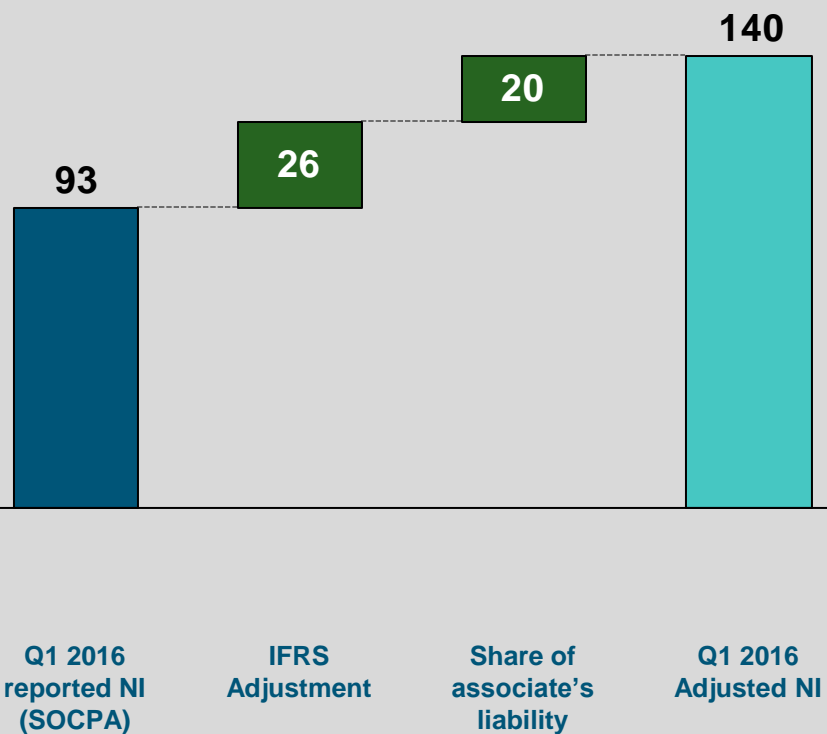
## CAPEX



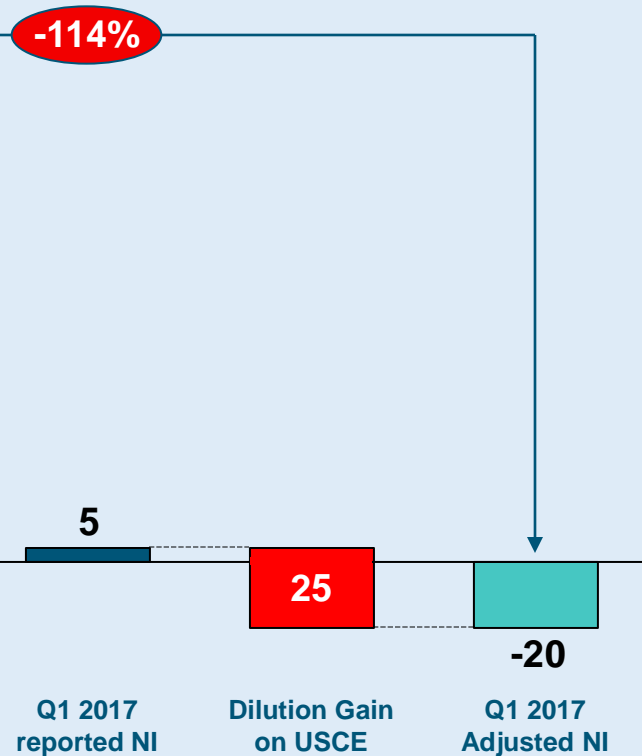
# IMPLICATIONS OF EXCEPTIONAL ITEMS

SAR Mn

## Adjusted Q1 2016 Net Income



## Adjusted Q1 2017 Net Income





PANDA RETAIL COMPANY

سافولا  
SAVOLA

## RETAIL - SNAPSHOT

	Revenue	Gross Profit	Net Income / (Loss)	Selling Space
<i>SAR m</i>				
<b>Q1 2017</b>	<b>2,721</b> -16.8% vs. LY	<b>529</b> -28.6% vs. LY	<b>(229)</b> Q1 2016 : (32)	<b>762,973m<sup>2</sup></b> 1.4% vs. FY 2016

## RETAIL – HIGHLIGHTS

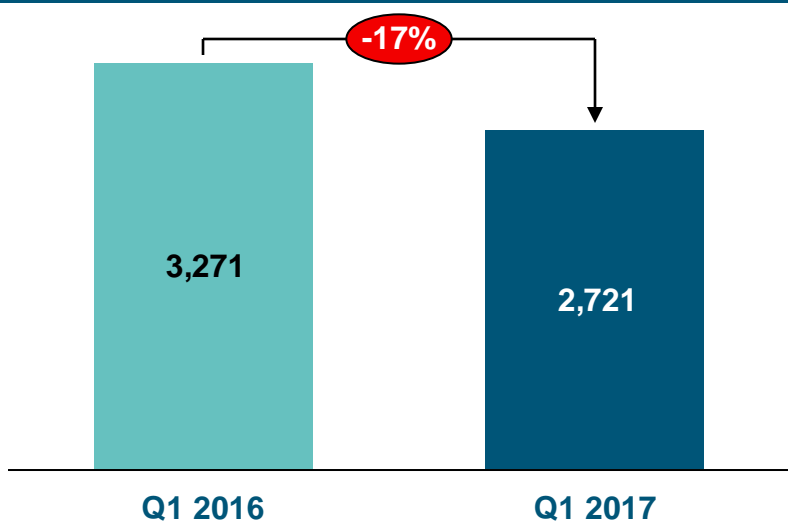
- The transformation exercise initiated last year is ongoing with several initiatives running concurrently.
- Total retail selling space increased by 1.4% in Q1 2017 as 3 new stores were added (2 supers and 1 hyper) out of which 1 super market was opened in Egypt
- LFL sales dropped owing mainly to a reduction in basket size across both hypermarket and supermarket formats. This is mainly attributable to a drop in availability as a result of the clearance exercise undertaken as part of the transformation
- Panda entered into an agreement with Dubai Festival City Real Estate Development company for Sale of Hyper Panda store in DFC (to be recorded in Q2).
- Reported net loss for Q1 2017 for Retail was SAR 229 million

# RETAIL – FINANCIAL HIGHLIGHTS

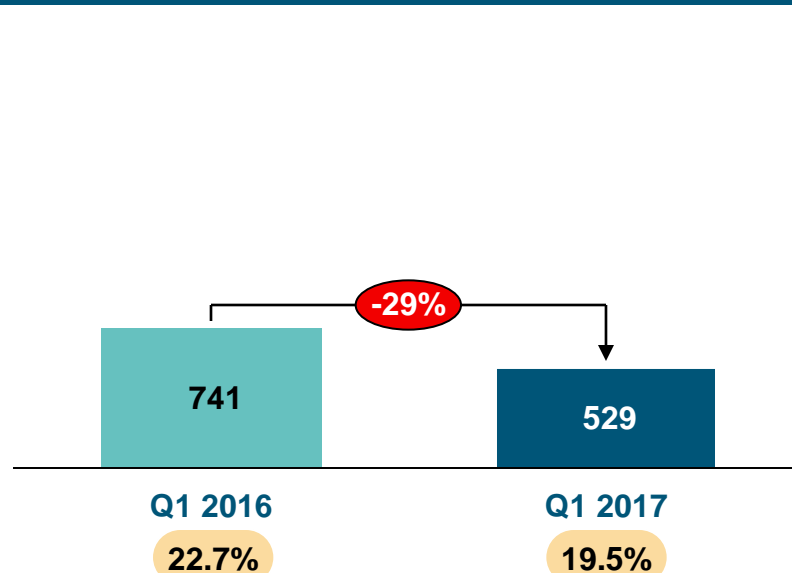
SAR Mn

● Growth ● Margin

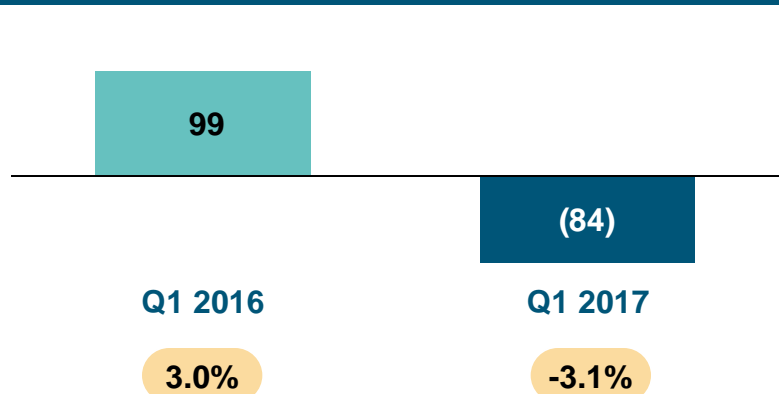
## YoY Sales



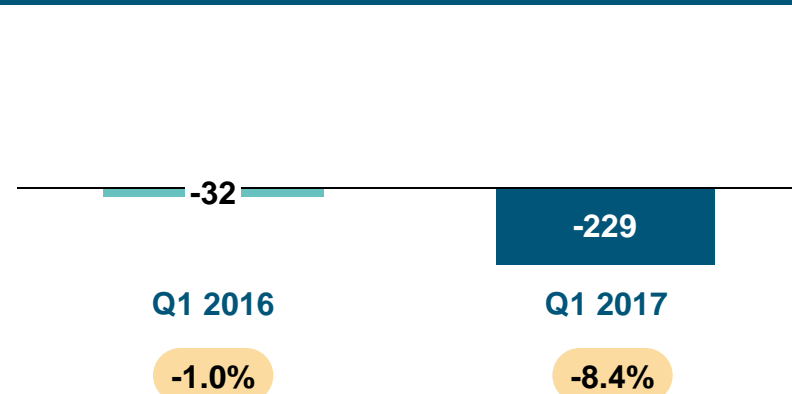
## YoY Gross Profit



## YoY EBITDA

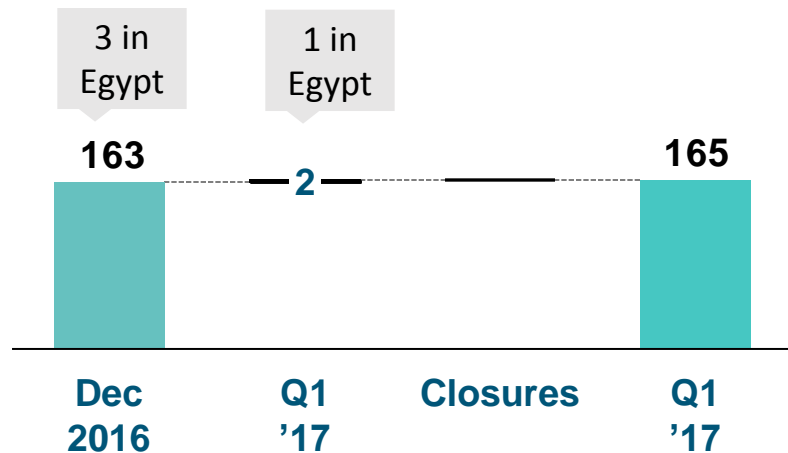


## YoY Net Income

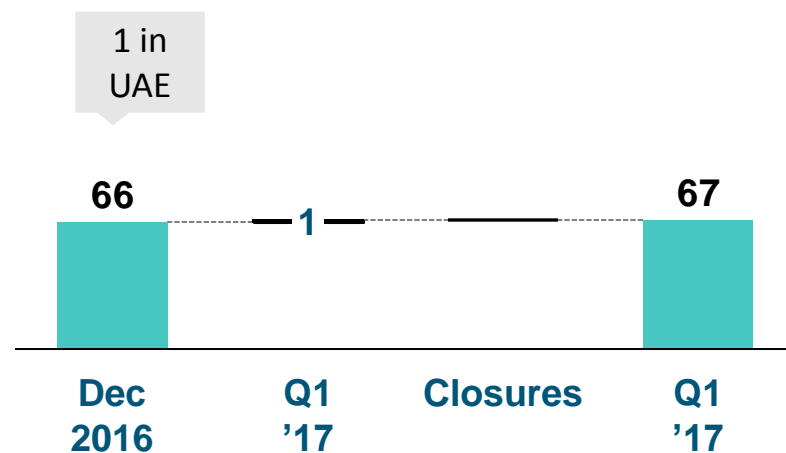


# RETAIL – NUMBER OF STORES BY QUARTER

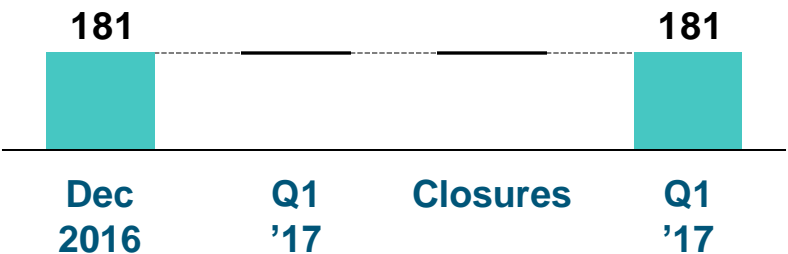
## Super



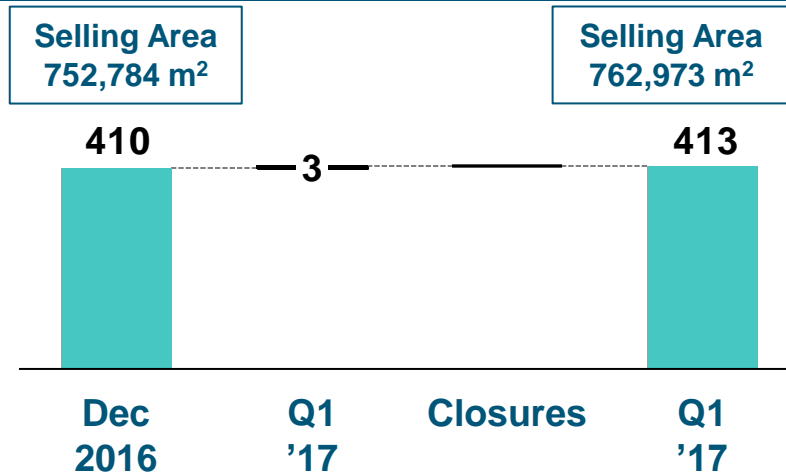
## Hyper



## Pandati



## Total



# RETAIL TRANSFORMATION – ON GOING

## Guiding principles of the future organization

**Customer driven** organization



Differentiated **value propositions of formats**



**Empowerment** of stores



**P&L ownership aligned** with accountability



**Clear lines of ownership**



Economies of **scale**



**Flexibility** and speed of action





SAVOLA FOODS

## FOODS – HIGHLIGHTS

- Q1 2017 total revenue of SAR 2.95 billion is 1% above Q1 2016 revenue of SAR 2.92 billion
- Total volume of 838 k MT 3% below Q1 2016 mainly due to weakness in pasta and lower volume in Egypt oil
- Finalised the closing of European Bank for Reconstruction and Development (EBRD)'s investment in USCE in the form of equity injection of USD 100 million. A dilution gain (net) of SAR 15.2 mn at SFC level was recorded on deconsolidation of USCE
- Reported net income for Q1 2017 for Food was SAR 111 million

## FOODS - SNAPSHOT

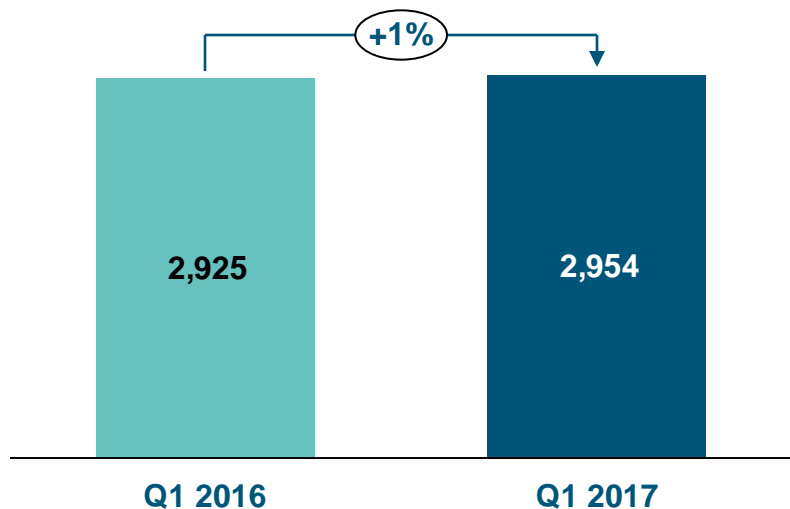
	Revenue	Gross Profit	EBIT	Net Income / (Loss)	Adjusted Net Income / (Loss)
<i>SAR m</i>					
<b>Q1 2017</b>	<b>2,954</b> +1.0% vs. LY	<b>425</b> -4.9% vs. LY	<b>188</b> -16.7% vs. LY	<b>111</b> +4.7% vs. LY	<b>95</b> -9.7% vs. LY

# FOODS – FINANCIAL HIGHLIGHTS

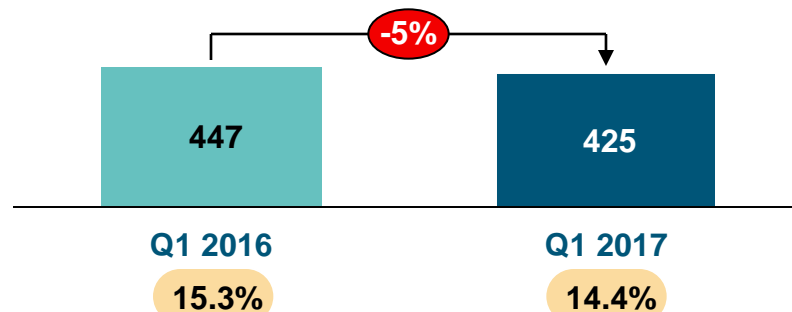
SAR Mn

● Growth ● Margin

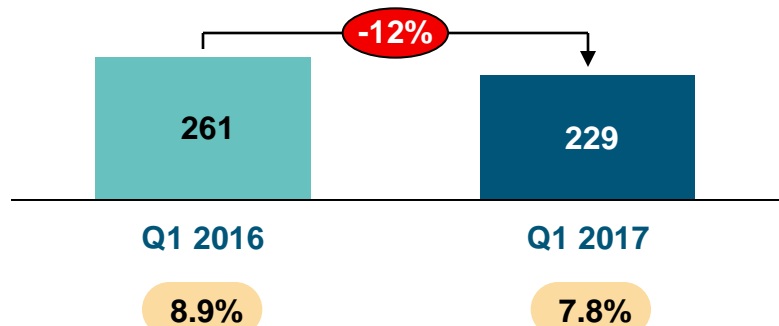
## YoY Sales



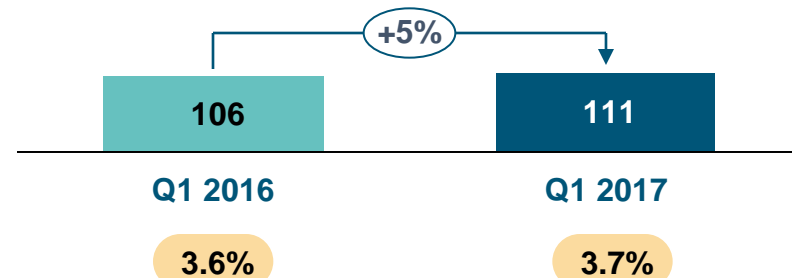
## YoY Gross Profit



## YoY EBITDA



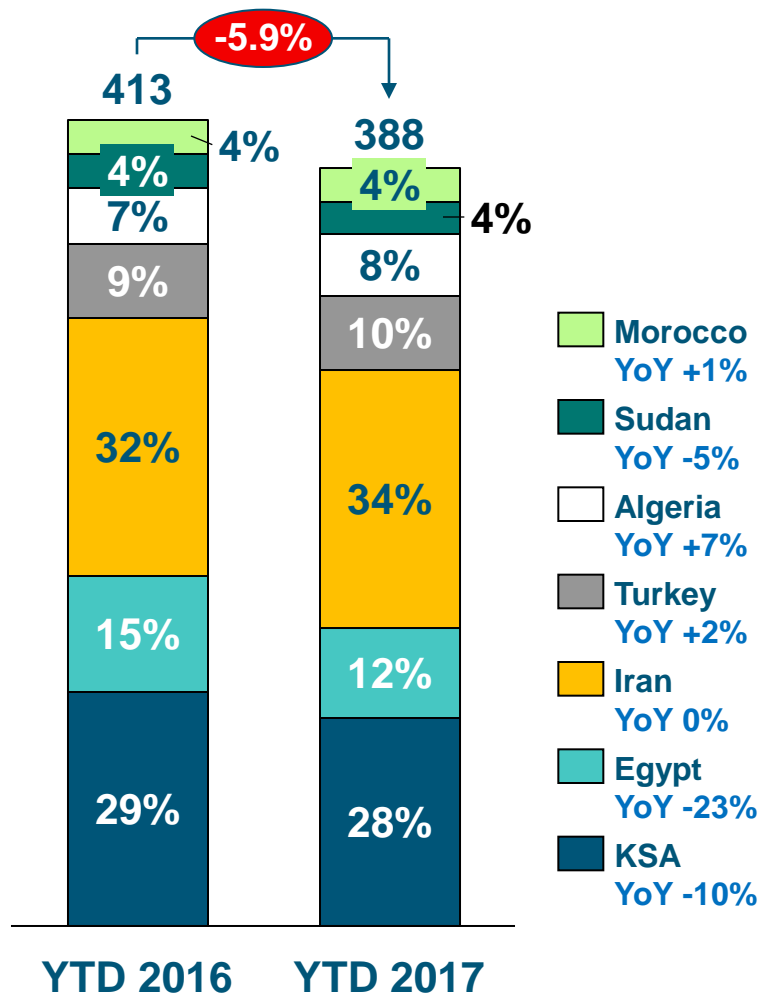
## YoY Net Income



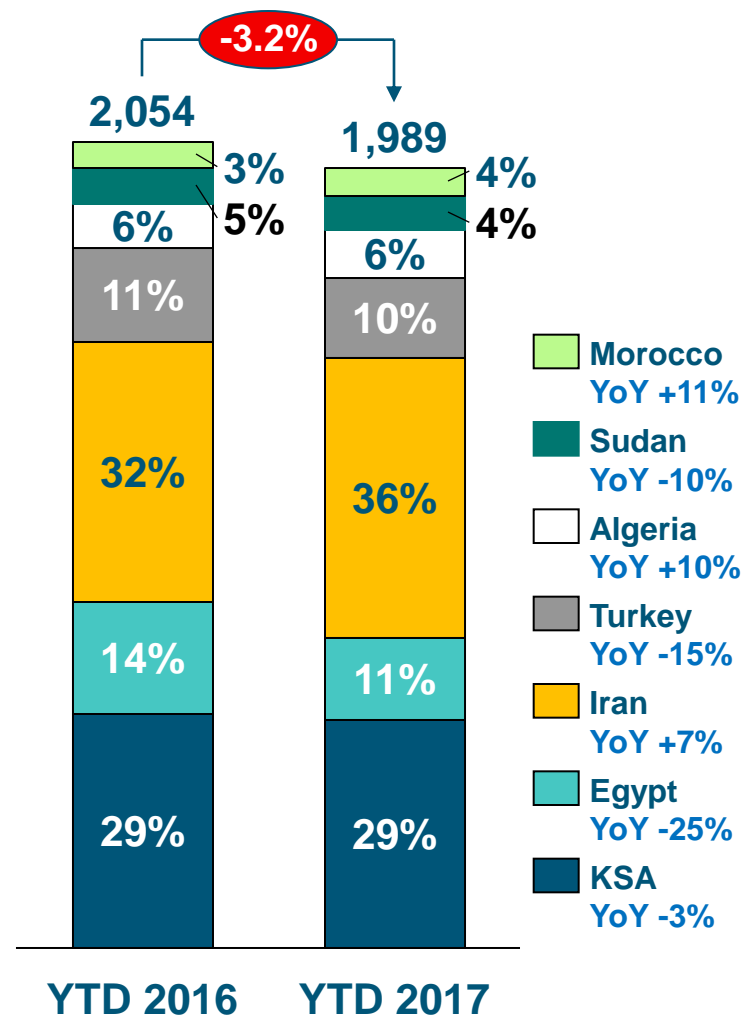
# FOODS – OIL SEGMENT ANALYSIS

SAR Mn

Volume (MT 000)



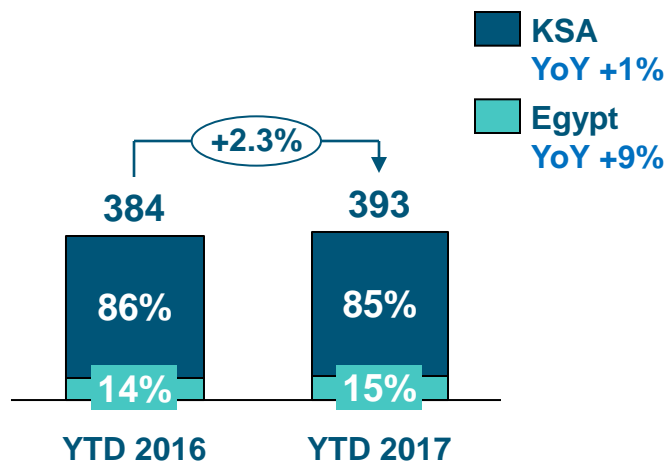
Revenues



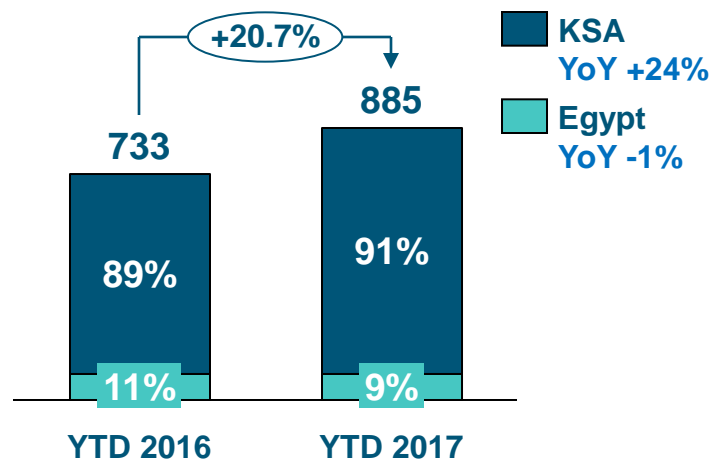
# FOODS – SUGAR SEGMENT ANALYSIS

SAR Mn

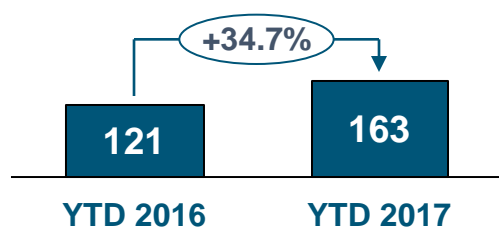
## Volume (MT 000)\*



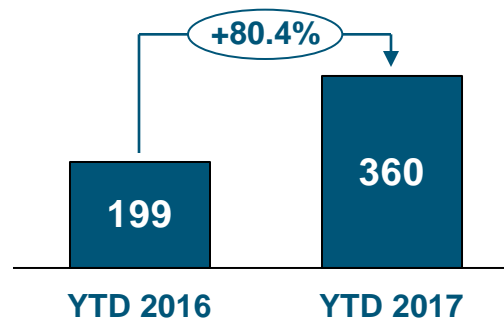
## Revenues\*



## USCE Volume (MT 000)



## USCE Revenues



\* Excluding USCE which is shown separately



# FINANCIAL SUMMARY



# FINANCIALS – Q1 2017

(all figures are in SAR millions)

Segment Wise Financials										
	Q1- 2017					Q1- 2016 (Re-presented)				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
<b>Food</b>										
Oil-Mature Markets	1,707	296	130	91	147	1,780	333	188	147	201
Oil-Start-up Markets*	282	31	9	4	12	273	39	14	9	18
<b>Total Oil</b>	<b>1,989</b>	<b>327</b>	<b>139</b>	<b>94</b>	<b>159</b>	<b>2,054</b>	<b>372</b>	<b>203</b>	<b>157</b>	<b>219</b>
Sugar	885	87	47	16	65	733	43	9	(58)	24
Pasta	80	12	2	0	6	138	32	14	7	18
<b>Total Foods</b>	<b>2,954</b>	<b>425</b>	<b>188</b>	<b>111</b>	<b>229</b>	<b>2,925</b>	<b>447</b>	<b>226</b>	<b>106</b>	<b>261</b>
<b>Retail</b>										
KSA	2,629	514	(211)	(228)	(85)	3,191	727	(8)	(26)	99
Overseas	92	15	(1)	(2)	0	80	15	(1)	(5)	(0)
<b>Total Retail</b>	<b>2,721</b>	<b>529</b>	<b>(212)</b>	<b>(229)</b>	<b>(84)</b>	<b>3,271</b>	<b>741</b>	<b>(9)</b>	<b>(32)</b>	<b>99</b>
Herfy	275.0	87	56	53	74	283.6	85	56	53	78
Real Estate	0	0	2	2	2	0	0	16	16	16
Al Marai-Savola Share	0	0	120	120	120	0	0	105	105	105
HQ/Elimination/Impairments	(116)	(1)	(15)	(51)	(8)	(58)	(0)	(55)	(129)	(46)
<b>Total</b>	<b>5,833</b>	<b>1,040</b>	<b>139</b>	<b>5</b>	<b>332</b>	<b>6,422</b>	<b>1,273</b>	<b>338</b>	<b>119</b>	<b>512</b>
<b>Adjustments</b>										
Gain on Sale of USCE				(25)					-	
Share of Associates Liability				-					20	
<b>Adjusted Profit</b>				<b>(20)</b>					<b>140</b>	

**Note:** Q1 2016 has been adjusted for IFRS