



Earnings Presentation

Q1 2019



DISCLAIMER

This presentation contains 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.

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GROUP – HIGHLIGHTS FOR Q1

- The reported net income for the quarter was SAR 6.3 mn compared to a net loss of SAR 84.3 mn in Q1 2018
- Savola's retail segment recorded a net loss of SAR 192.7 mn in Q1 2019 compared to a net loss of SAR 223.2 mn in Q1 2018
- Savola Foods recorded a net income of SAR 112.4 mn in Q1 2019 compared to a net profit of SAR 8.3 mn in Q1 2018
- Herfy recorded a net income of SAR 48.1 mn in Q1 2019, a YoY growth of 0.7%
- Frozen food recorded a net income of SAR 17.8 mn in Q1 2019
- Almarai recorded a net profit of SAR 336 mn in Q1 2019 (YoY decline of 2.6%), translating into a profit contribution of SAR 116.0 mn to the Group

Q1 2019 - SNAPSHOT

GROUP	<ul style="list-style-type: none"> ➤ Q1 2019 Revenue of SAR 5.4 bn (Q1 2018: SAR 5.1 bn) ➤ Q1 2019 Net Income of SAR 6.3 mn (Q1 2018 Net Loss: SAR 84.3 mn) ➤ Q1 2019 Adjusted Net Income is SAR 29.0 mn
RETAIL	<ul style="list-style-type: none"> ➤ Q1 2019 Revenue of SAR 2.7 bn (Q1 2018: SAR 2.4 bn) ➤ Q1 2019 Net Loss of SAR 192.7 mn (Q1 2018: Net Loss of SAR 223.2 mn)
FOODS	<ul style="list-style-type: none"> ➤ Q1 2019 Revenue of SAR 2.4 bn (Q1 2018: 2.6 bn) ➤ Q1 2019 Net Income of SAR 112.4 mn (Q1 2018: Net Income of SAR 8.3 mn)
HERFY	<ul style="list-style-type: none"> ➤ Q1 2019 Revenue of SAR 313.4 mn (Q1 2018: SAR 286.3 mn) ➤ Q1 2019 Net Income of SAR 48.1 mn (Q1 2018: Net Income of SAR 47.7 mn)
FROZEN FOOD	<ul style="list-style-type: none"> ➤ Q1 2019 Revenue of SAR 128.9 mn ➤ Q1 2019 Net Income of SAR 17.8 mn
INVESTMENTS	<ul style="list-style-type: none"> ➤ Savola's share of Almarai quarterly net income of SAR 116.0 mn in Q1 2019 (Q1 2018: share of net income of SAR 118.8 mn)

GROUP – CONSOLIDATED FINANCIAL SNAPSHOT

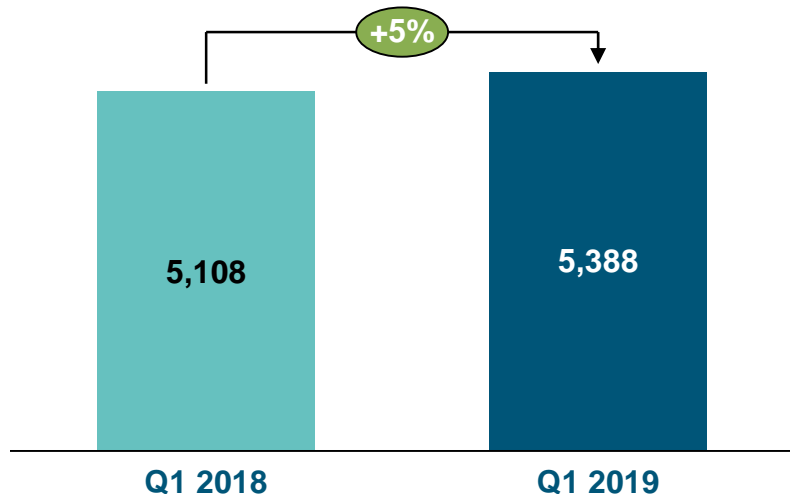
SAR mn	Revenue	Gross Profit	Net Income / (Loss)	Adjusted Net Income / (Loss)
Q1 2018	5,108	909	(84)	(57)
Q1 2019	5,388 <small>+5.5% vs. Q1 2018</small>	1,065 <small>+17.3% vs. Q1 2018</small>	6	29

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

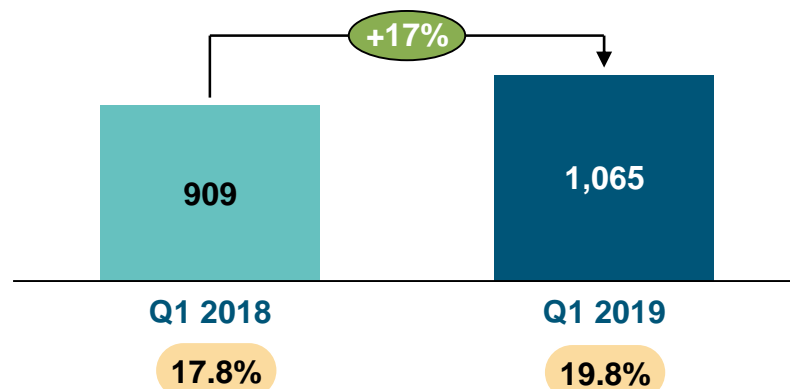
SAR mn

● Growth ● Margin

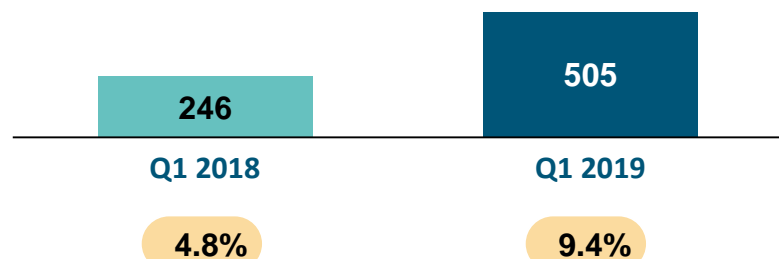
YoY Sales



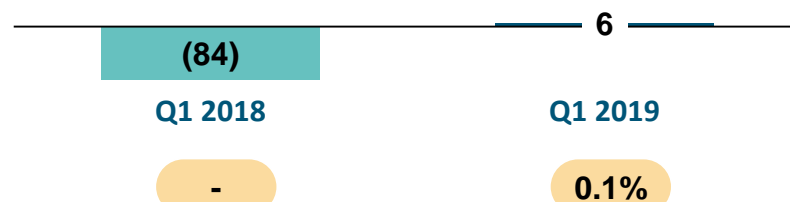
YoY Gross Profit



YoY EBITDA



YoY Net Income

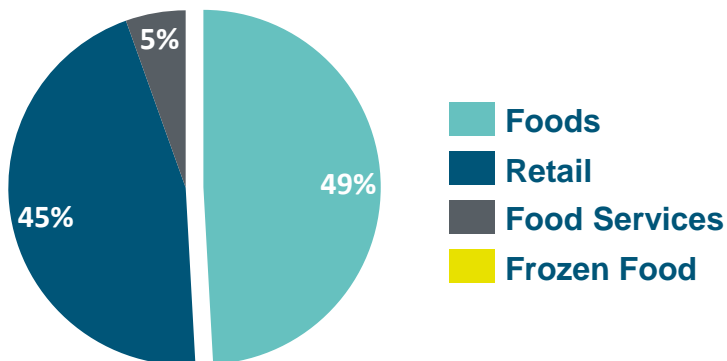


GROUP – CONSOLIDATED REVENUE MIX, NET DEBT & CAPEX

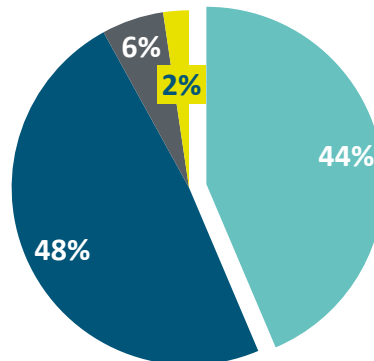
SAR bn

Revenue by Business

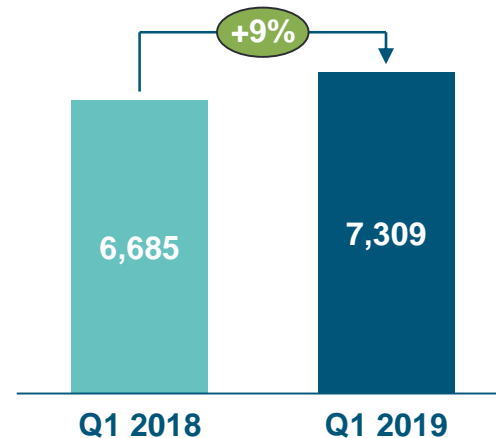
Q1 2018
SAR 5.1 bn



Q1 2019
SAR 5.4 bn

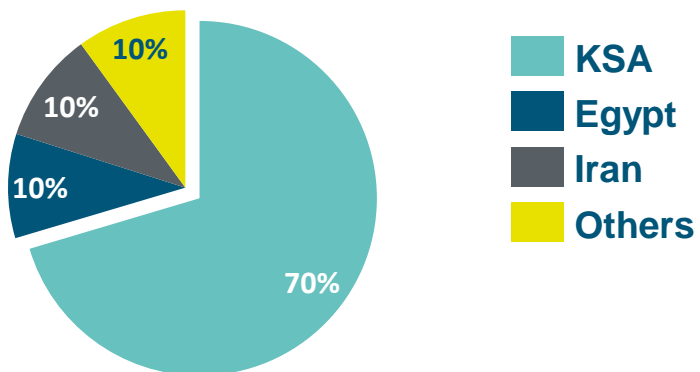


Net Debt

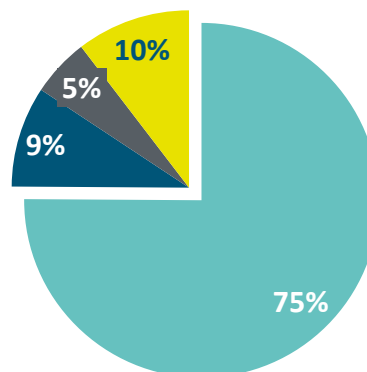


Revenue by Geography

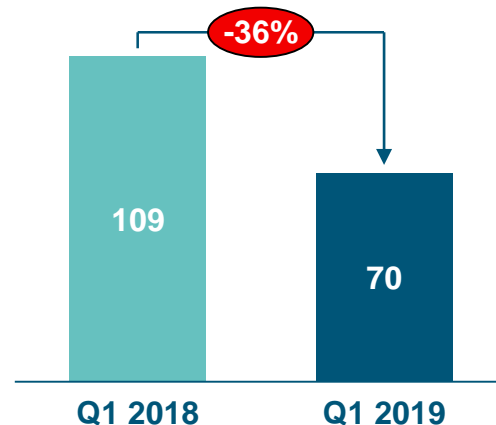
Q1 2018
SAR 5.1 bn



Q1 2019
SAR 5.4 bn

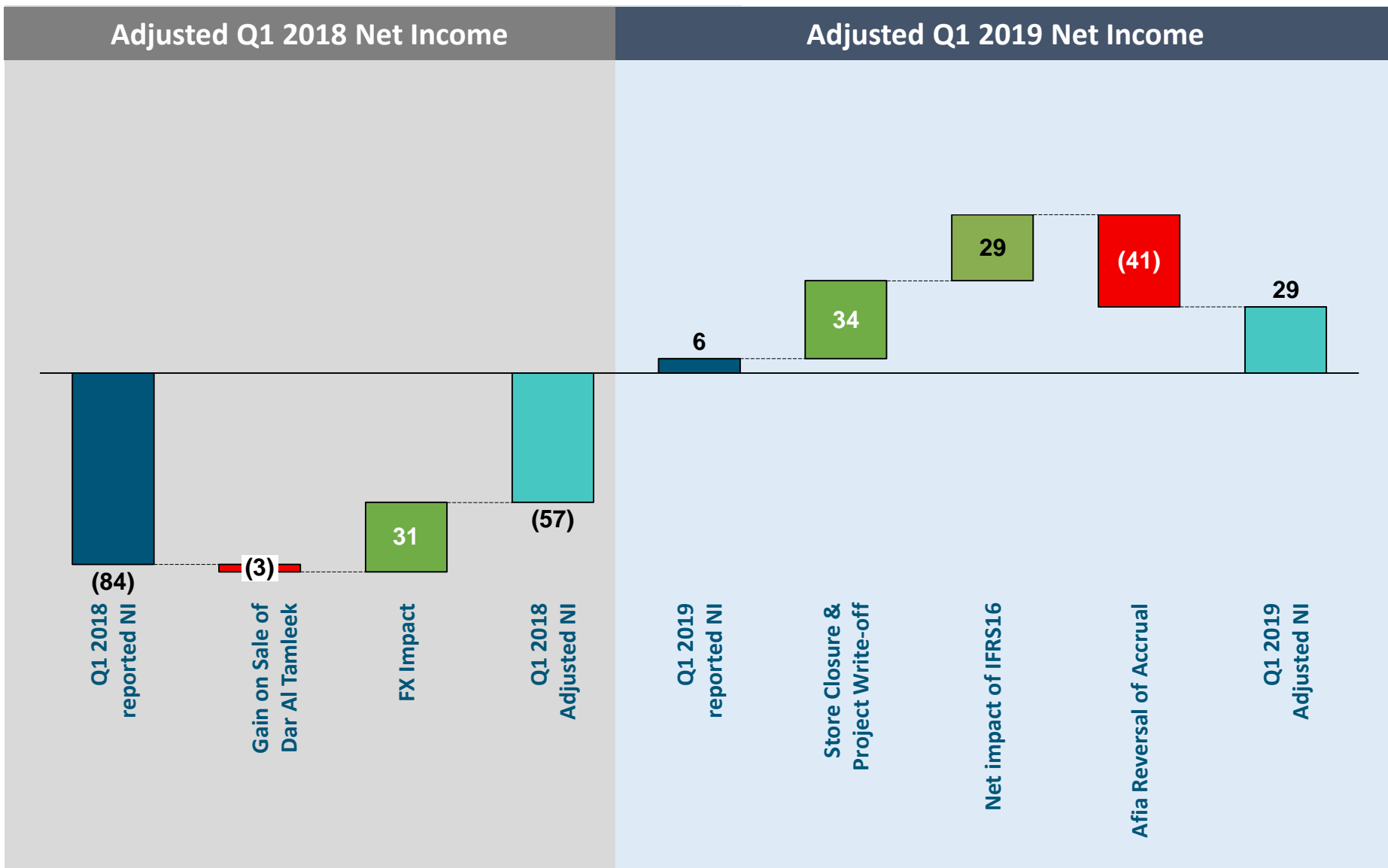


CAPEX



IMPLICATIONS OF EXCEPTIONAL ITEMS

SAR mn





PANDA RETAIL COMPANY

سافولا
SAVOLA

RETAIL – HIGHLIGHTS FOR Q1

- Implementation of turnaround initiatives and overall improvement in consumer confidence improved retail business performance significantly in Q1 2019
- Q1 2019 revenues clocked in at SAR 2.7 bn, witnessing YoY growth of 12.3% driven primarily by:
 - Double digit growth in L2L revenues
 - High single digit growth in customer count and basket size
- Net loss improved to SAR 192.7 mn in Q1 2019 vs. SAR 223.2 mn in Q1 2018 driven mainly by growth in sales and cost optimization initiatives
- Net loss, adjusted for IFRS 16 stood at SAR 167.6 mn in Q1 2019, including the impact of store closure costs of SAR 35 mn

RETAIL - SNAPSHOT

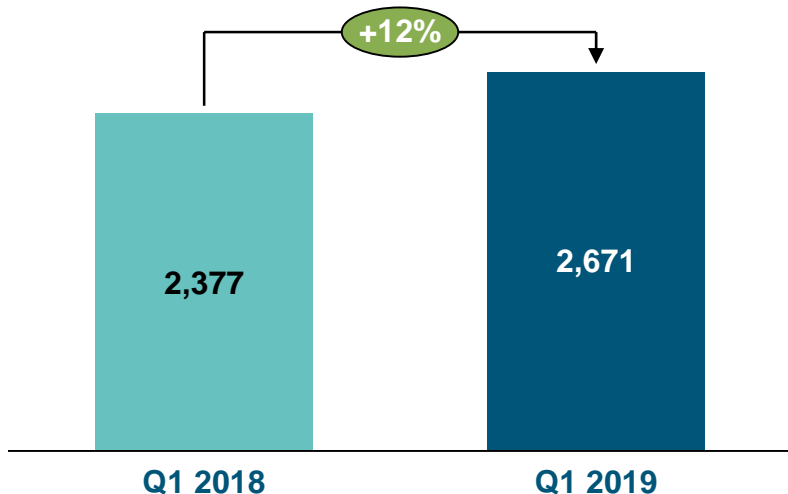
SAR mn	Revenue	Gross Profit	Net Income / (Loss)	Selling Space
Q1 2018	2,377	500	(223)	743,620 m ²
Q1 2019	2,671 <small>+12.3% vs. Q1 2018</small>	557 <small>+11.4% vs. Q1 2018</small>	(193)	669,419 m ²

RETAIL – FINANCIAL HIGHLIGHTS

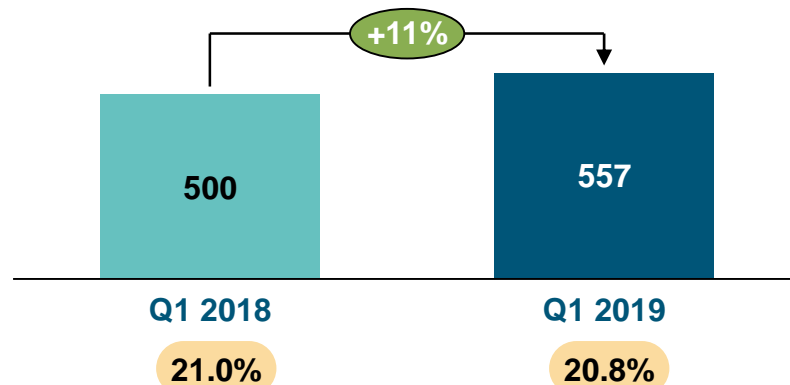
SAR mn

Growth Margin

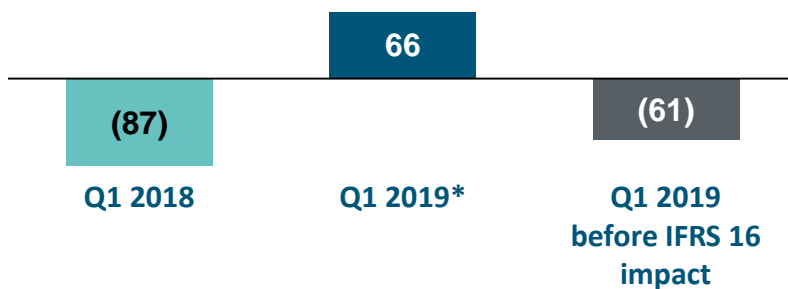
YoY Sales



YoY Gross Profit



YoY EBITDA



YoY Net Income



* Includes the impact of IFRS 16 and including store closure costs

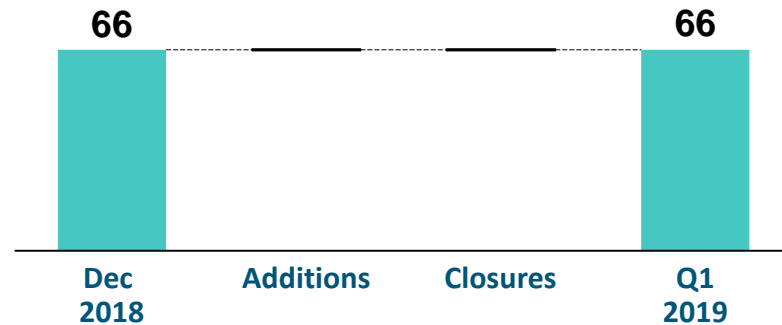
RETAIL – NUMBER OF STORES BY QUARTER

SAR mn

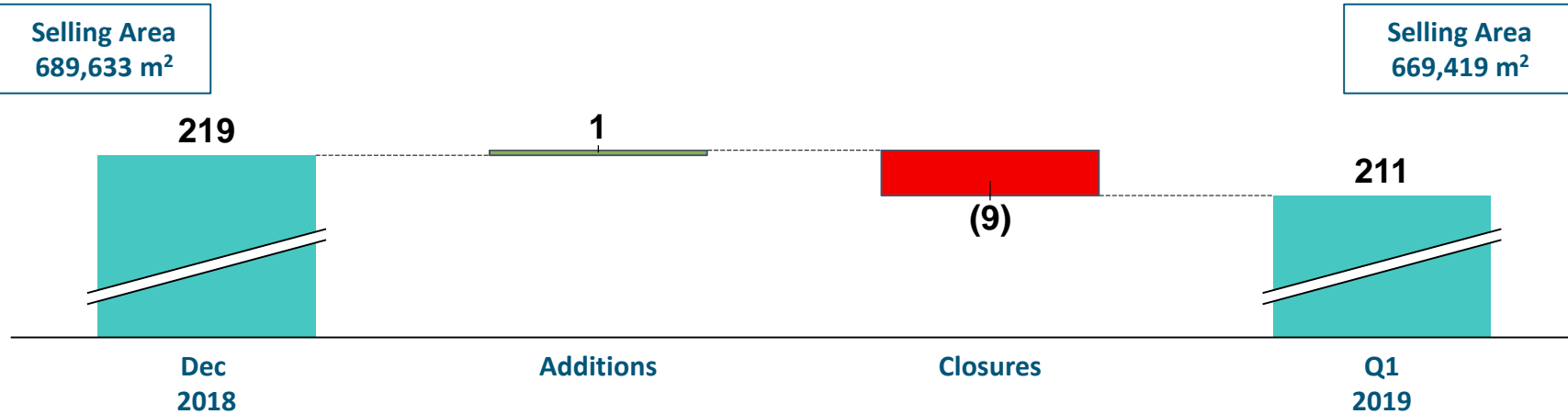
Super



Hyper



Total





SAVOLA FOODS

FOODS – HIGHLIGHTS FOR Q1

- Q1 2019 revenue was 6.3% lower than the same quarter last year primarily driven by decline in oil revenues by 12.1% driven by shortage of crude oil in Central Asia, as well as higher promotions and increased competition in other core markets
- In addition to oil performance;
 - Sugar revenues increased by 3.6% mainly driven by higher pricing in KSA despite registering lower volumes
 - Pasta revenues increased by 5.5% YoY due to better market conditions
- Q1 2019 net income of SAR 112.4 mn compared to SAR 8.3 mn in the same quarter last year.

FOODS - SNAPSHOT

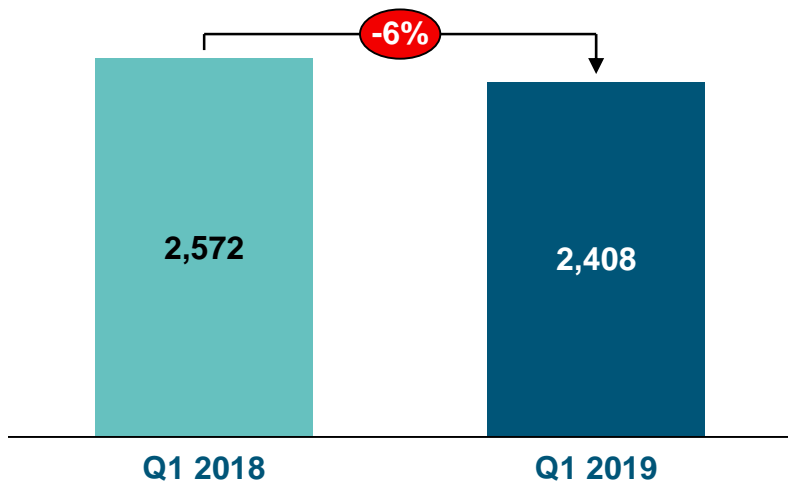
SAR mn	Revenue	Gross Profit	Net Income / (Loss)	Volume (MT '000)
Q1 2018	2,572	331	8	865
Q1 2019	2,408 -6.3% vs. Q1 2018	367 +11.1% vs. Q1 2018	112	808

FOODS – FINANCIAL HIGHLIGHTS

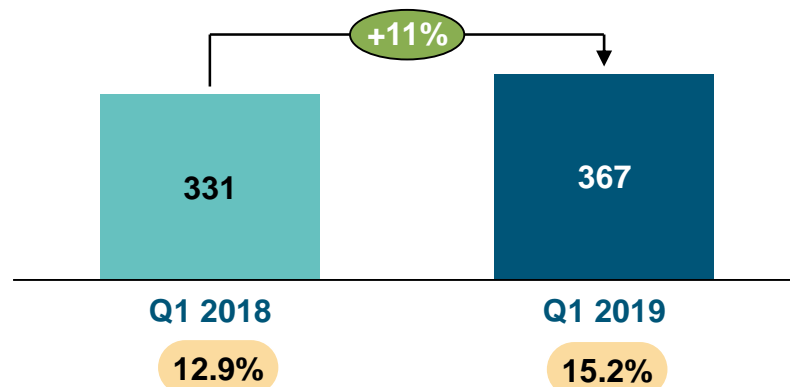
SAR mn

● Growth ● Margin

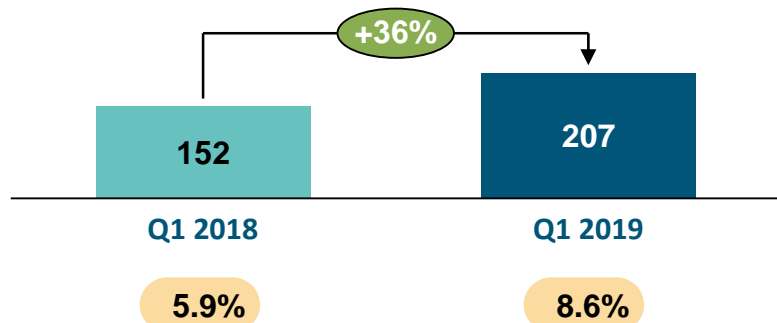
YoY Sales



YoY Gross Profit



YoY EBITDA

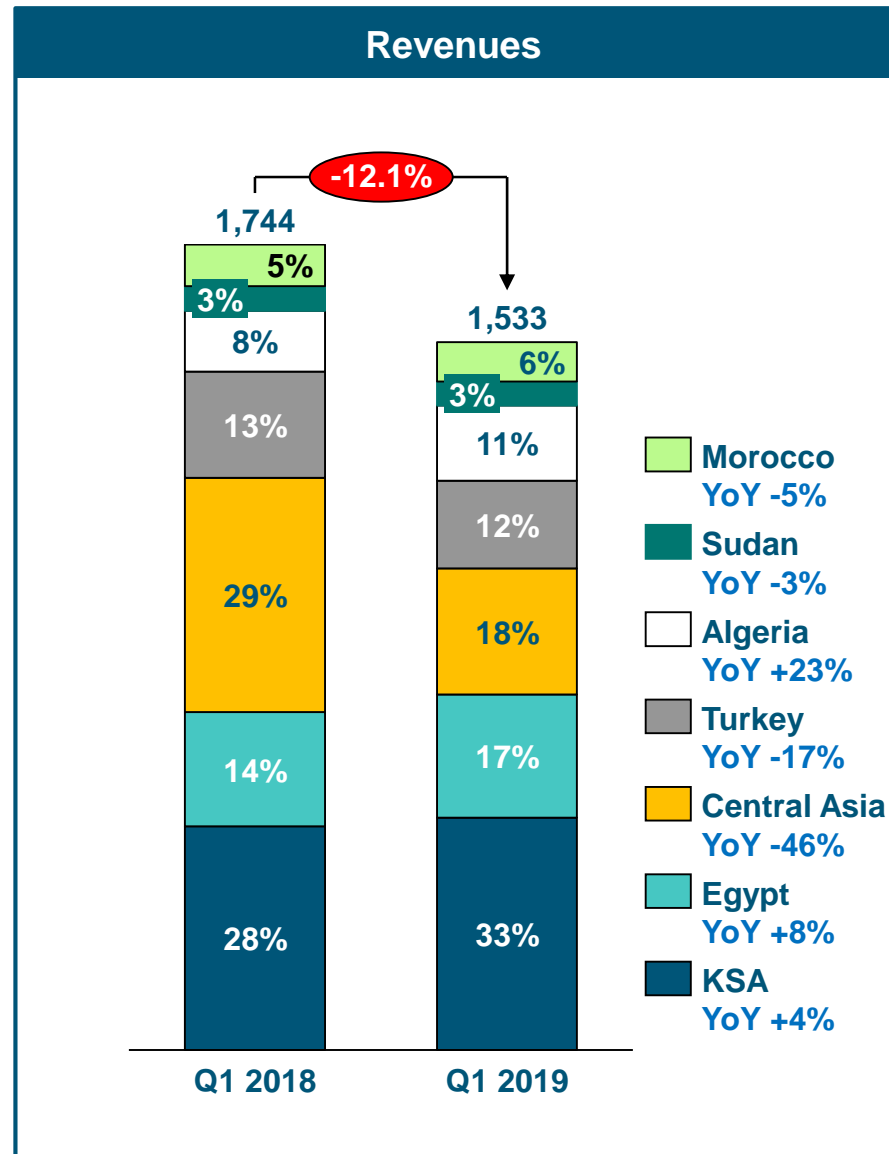
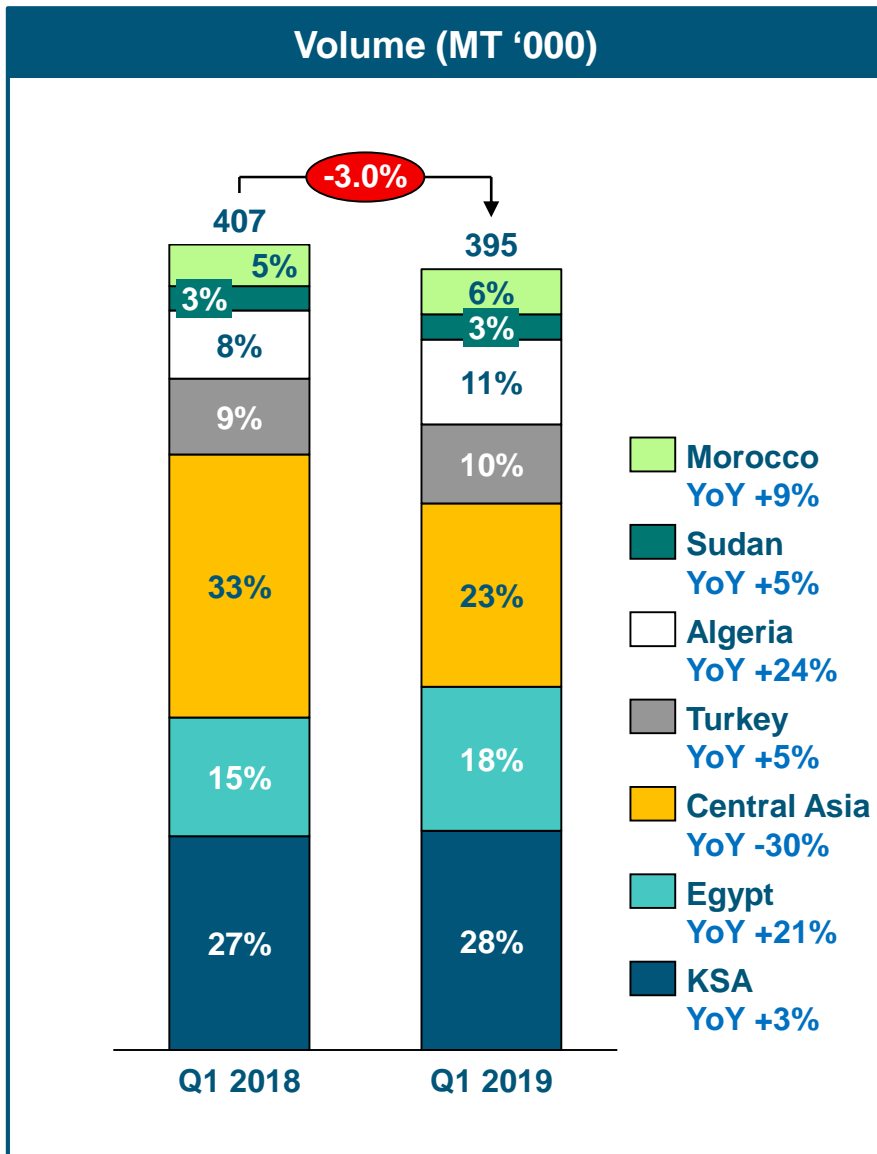


YoY Net Income



FOODS – OIL SEGMENT ANALYSIS

SAR mn

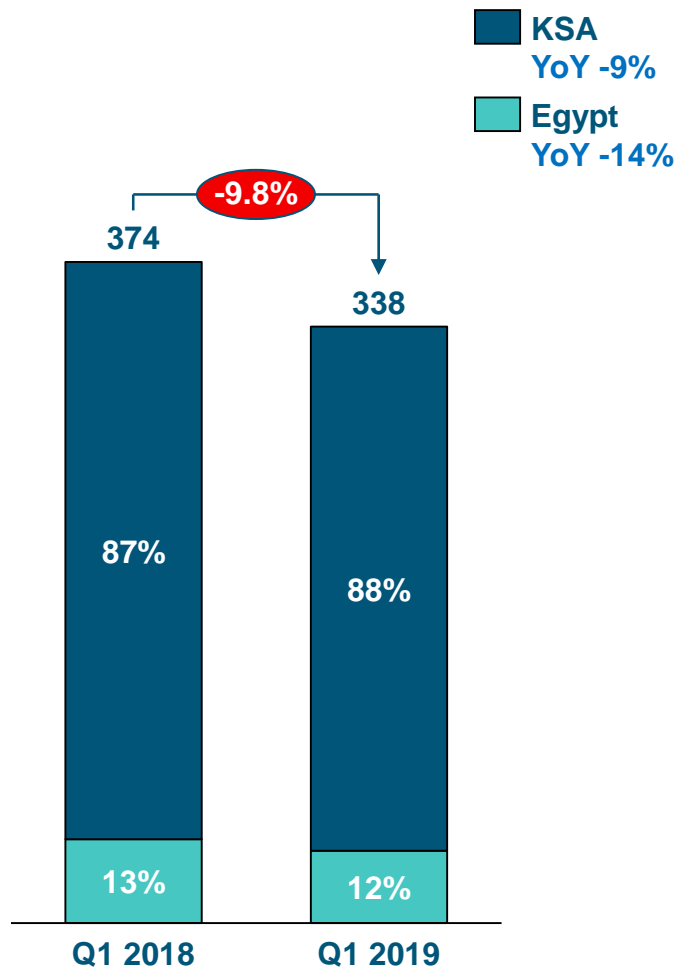


Note: the above charts were adjusted to remove contribution from emerging non-oil categories and includes net distribution volume in addition to our specialty fats business

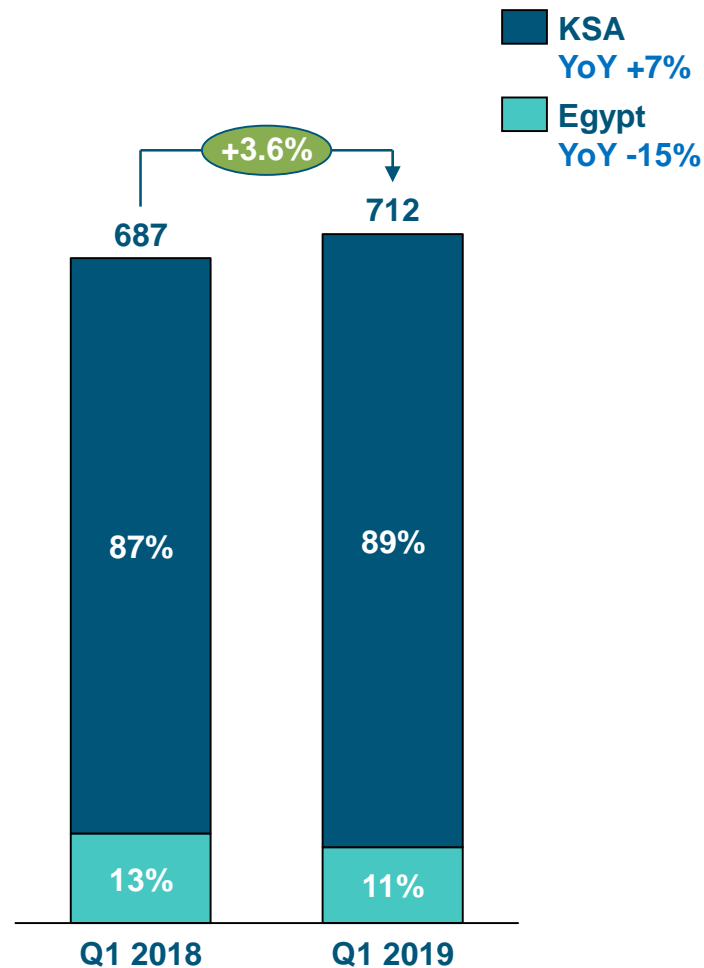
FOODS – SUGAR SEGMENT ANALYSIS

SAR mn

Volume (MT '000) (1)



Revenues (1)



(1) Sugar volumes and revenues include only the contribution from our consolidated sugar operations (USC and ASC), and include the net distribution volume and revenue from our KSA distribution operations.



FINANCIAL SUMMARY



FINANCIALS – Q1 2019

(all figures are in SAR millions)

Segment Wise Financials										
	Q1 2019					Q1 2018				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food*										
Oil-Mature Markets	1,127	184	87	87	106	1,417	174	78	16	94
Oil-Start-up Markets**	300	33	19	11	22	275	34	13	6	16
Total Oil	1,427	217	106	98	129	1,693	208	90	22	110
Sugar	620	84	40	15	59	702	67	19	(12)	34
Pasta	132	14	2	(2)	6	125	14	3	0	7
Total Foods	2,408	367	154	112	207	2,572	331	109	8	152
Retail										
KSA	2,650	553	(124)	(191)	65	2,356	497	(202)	(219)	(84)
Overseas	21	4	(3)	(2)	0	21	3	(5)	(5)	(3)
Total Retail	2,671	557	(128)	(193)	66	2,377	500	(207)	(223)	(87)
Herfy	313	94	59	48	99	286	79	52	48	71
Frozen Food	129	48	20	18	23	-	-	7	7	7
Real Estate	-	-	4	4	4	-	-	-	-	-
Al Marai-Savola Share	-	-	116	116	116	-	-	119	119	119
HQ/Elimination/Impairments	(133)	(0)	(20)	(99)	(10)	(127)	(1)	(21)	(43)	(15)
Total	5,388	1,065	206	6	505	5,108	909	60	(84)	246
Adjustments										
Gain on Sale of Dar Al Tamleek				-					(3)	
FX Impact				-					31	
Store Closure & Project Write-off				34					-	
Net impact of IFRS16				29					-	
Afia Reversal of Accrual				(41)					-	
Adjusted Profit				29					(57)	

* The above figures include the improve of our net distribution volume. All the numbers are rounded for the purpose of presentation

** Start-up markets include Algeria, Morocco and Sudan

Note: the above table includes contribution from emerging categories captured in the foods segment