



# Earnings Presentation

## Q2 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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## Q2 2019 - SNAPSHOT

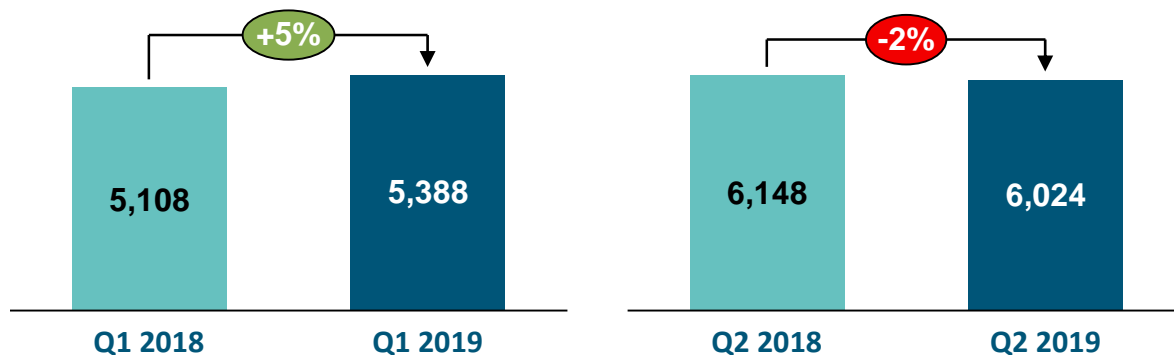
GROUP	<ul style="list-style-type: none"> <li>➤ Q2 2019 Revenue of SAR 6.0 bn (Q2 2018: SAR 6.1 bn)</li> <li>➤ Q2 2019 Net Income of SAR 110.2 mn (Q2 2018: SAR 140.7 mn)</li> </ul>
RETAIL	<ul style="list-style-type: none"> <li>➤ Q2 2019 Revenue of SAR 3.3 bn (Q2 2018: SAR 3.2 bn)</li> <li>➤ Q2 2019 Net Loss of SAR 119.2 mn (Q2 2018: Net Loss of SAR 210.5 mn)</li> </ul>
FOODS	<ul style="list-style-type: none"> <li>➤ Q2 2019 Revenue of SAR 2.4 bn (Q2 2018: 2.7 bn)</li> <li>➤ Q2 2019 Net Income of SAR 65.4 mn (Q2 2018: SAR 134.6 mn)</li> </ul>
HERFY	<ul style="list-style-type: none"> <li>➤ Q2 2019 Revenue of SAR 309.3 mn (Q2 2018: SAR 293.1 mn)</li> <li>➤ Q2 2019 Net Income of SAR 40.9 mn (Q2 2018: SAR 45.9 mn)</li> </ul>
FROZEN FOOD	<ul style="list-style-type: none"> <li>➤ Q2 2019 Revenue of SAR 181.7 mn</li> <li>➤ Q2 2019 Net Income of SAR 20.1 mn</li> </ul>
INVESTMENTS	<ul style="list-style-type: none"> <li>➤ Savola's share of Almarai quarterly net income of SAR 201.1 mn in Q2 2019 (Q2 2018: SAR 228.0 mn)</li> </ul>

# GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

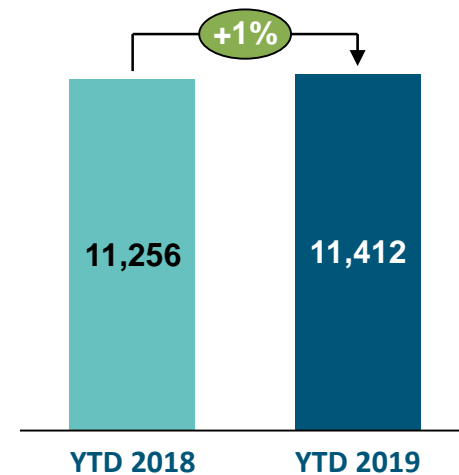
SAR mn

● Growth ● Margin

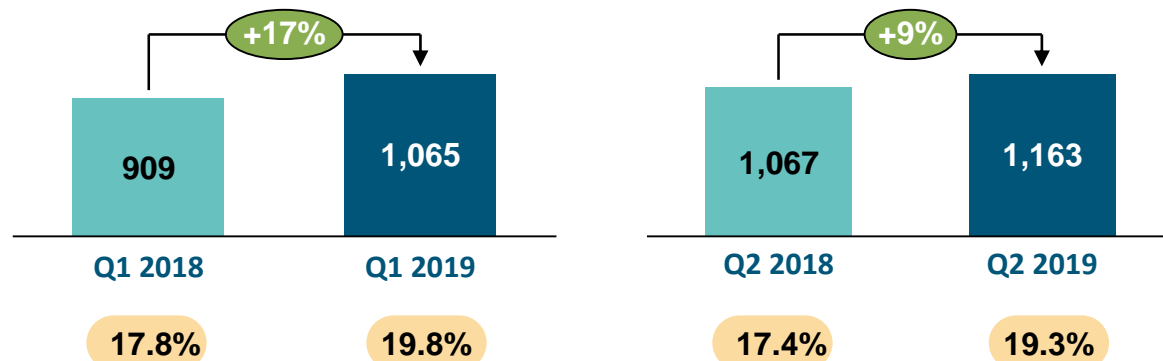
## YoY Sales



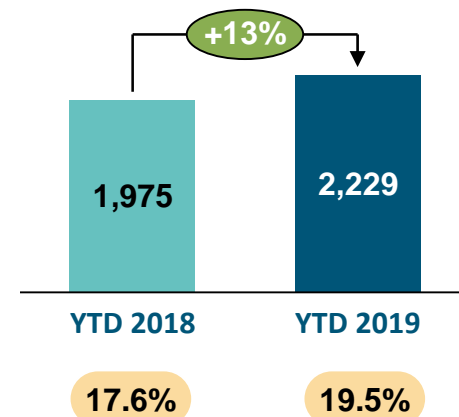
## YTD Sales



## YoY Gross Profit



## YTD Gross Profit

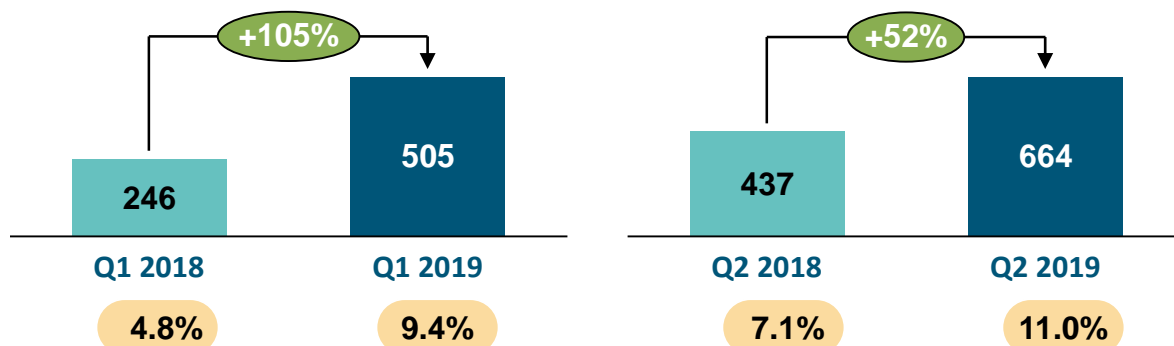


# GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

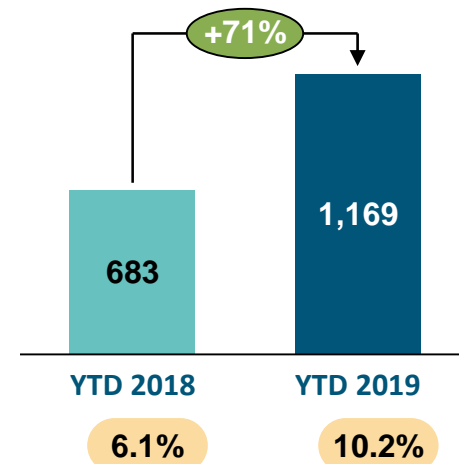
SAR mn

 Growth  Margin

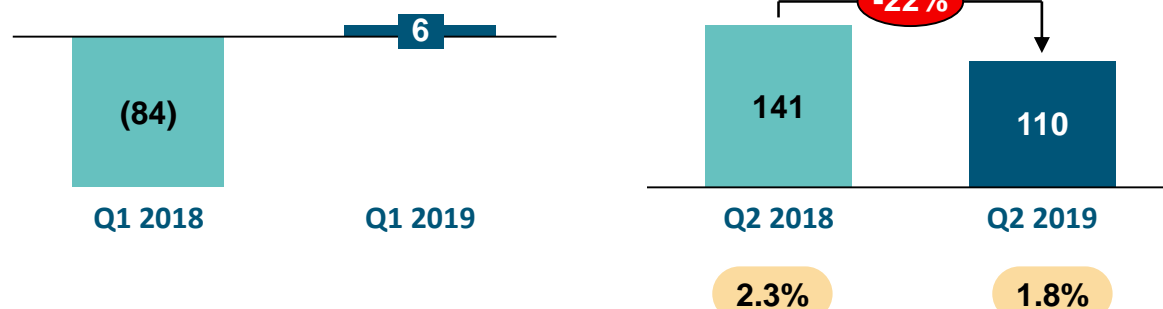
## YoY EBITDA



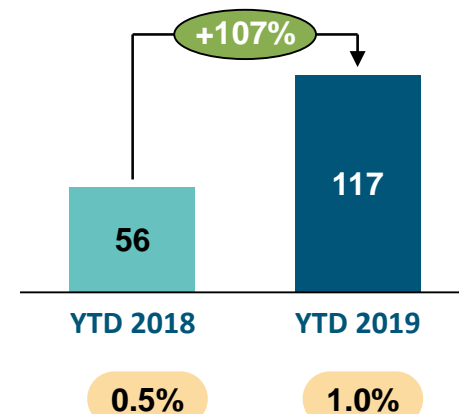
## YTD EBITDA



## YoY Net Income



## YTD Net Income

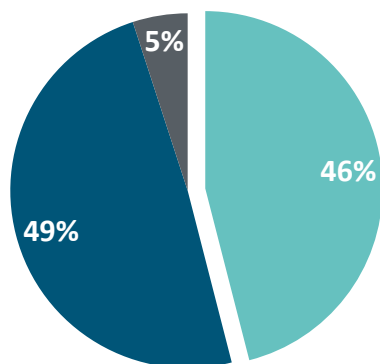


# GROUP – REVENUE MIX, NET DEBT & CAPEX

SAR mn

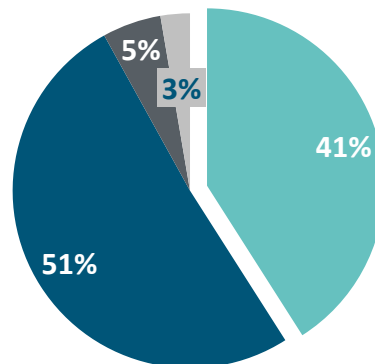
## Revenue by Business

**YTD 2018**  
SAR 11.3 bn

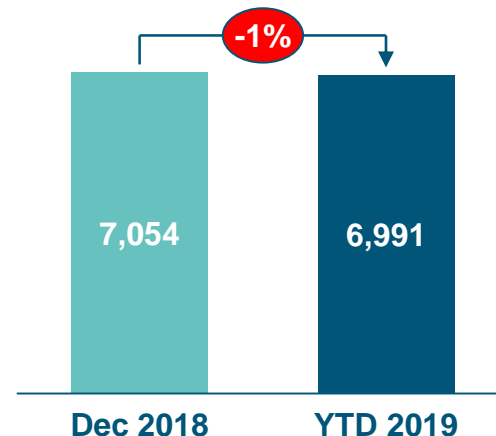


Food Processing  
Retail  
Food Services  
Frozen Food

**YTD 2019**  
SAR 11.4 bn

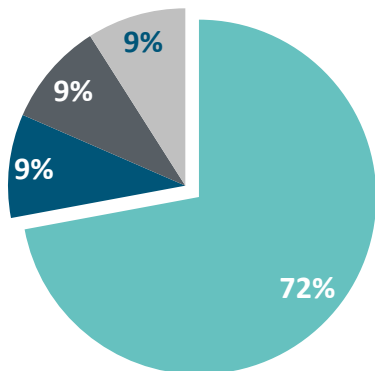


## Net Debt



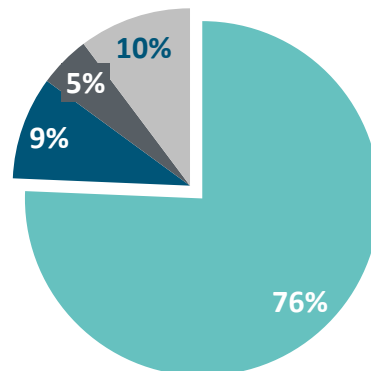
## Revenue by Geography

**YTD 2018**  
SAR 11.3 bn

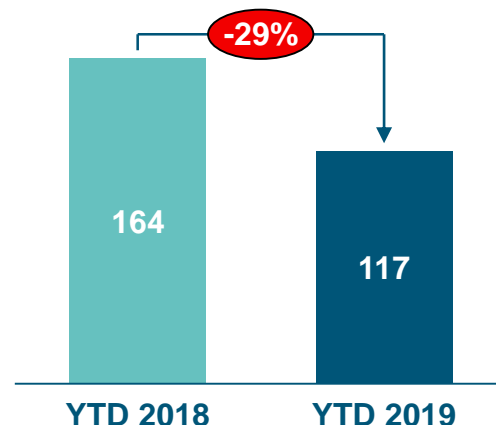


KSA  
Egypt  
Central Asia  
Others

**YTD 2019**  
SAR 11.4 bn

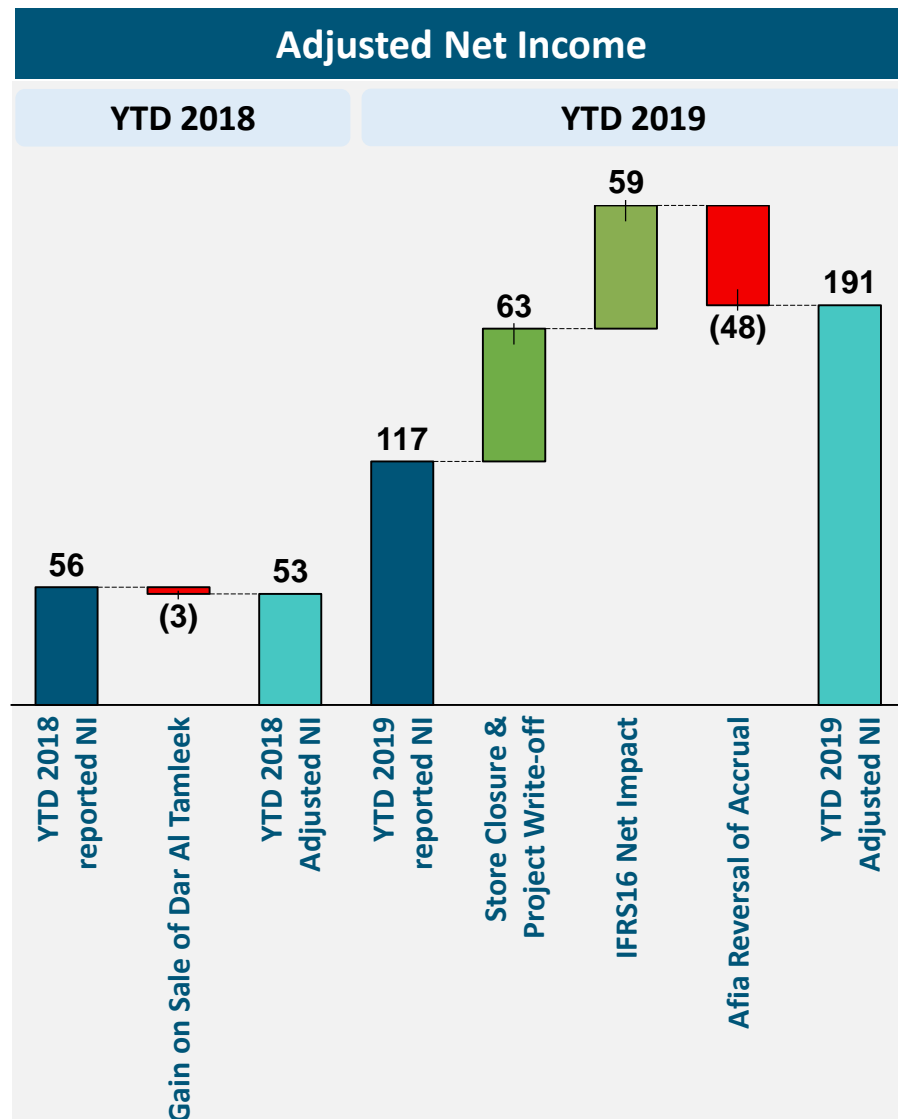
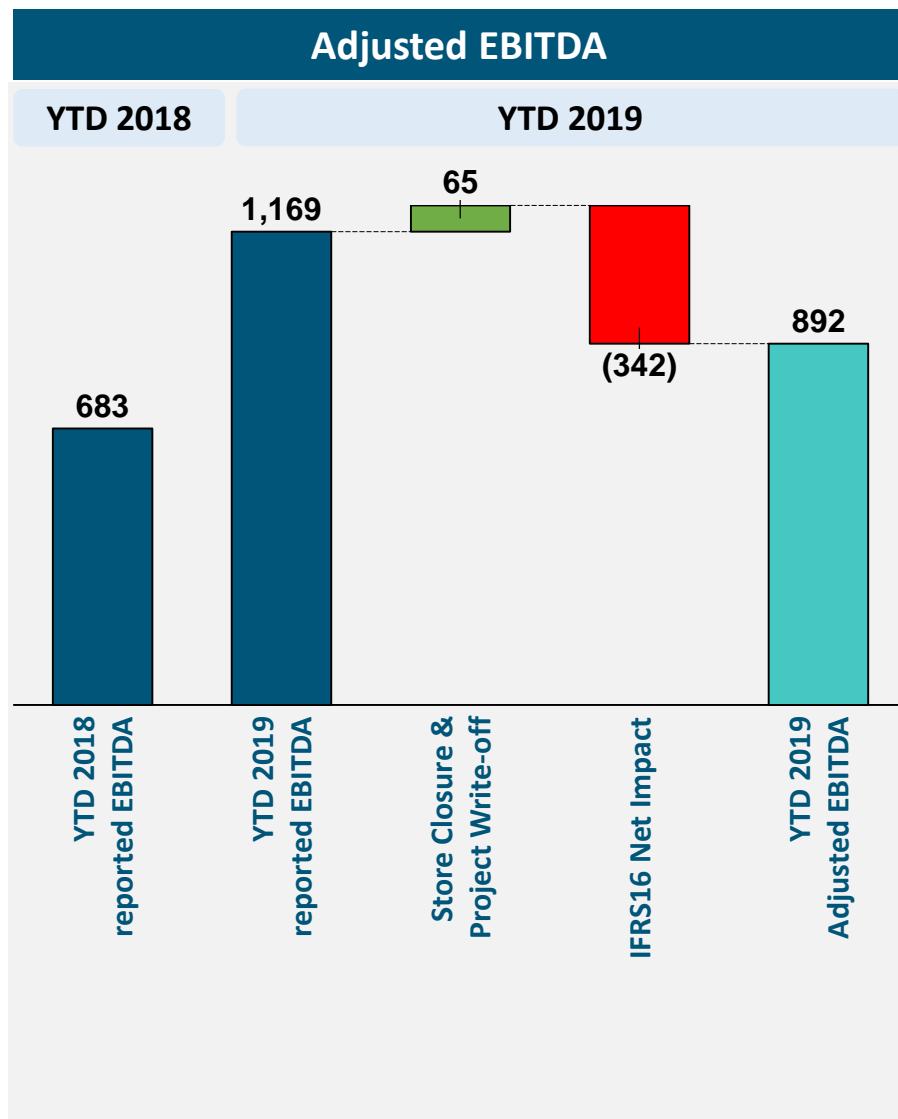


## CAPEX



# IMPLICATIONS OF EXCEPTIONAL ITEMS

SAR mn







PANDA RETAIL COMPANY

سافولا  
SAVOLA



## RETAIL – HIGHLIGHTS

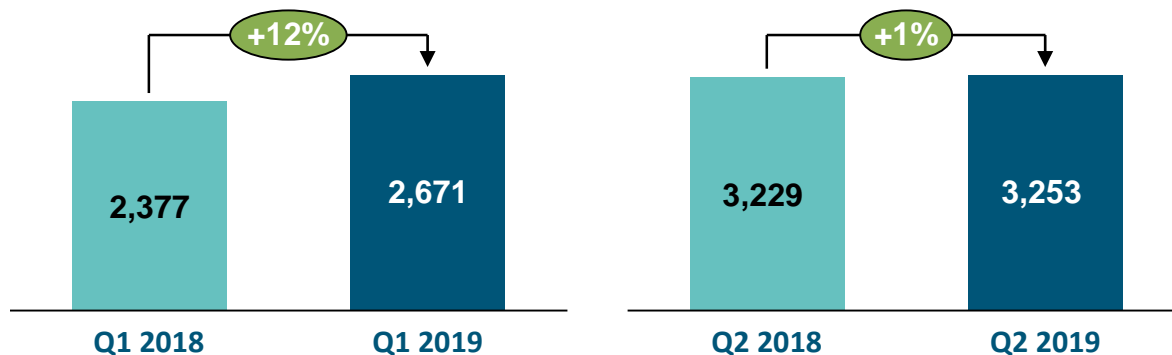
- Management turnaround initiatives are starting to materialize resulting in improvements in key operating metrics
- Despite store closures and decrease in selling space of 11.4% from 730k sqm in Q2 2018 to 647k sqm in Q2 2019, the retail segment recorded revenues of SAR 5.9 bn during YTD 2019, a growth of 5.7% compared to the same period last year of SAR 5.6 bn. The growth is mainly driven by like-for-like growth in revenues explained by an increase in customer count and basket size
- Net loss improved to SAR 312.0 mn in YTD 2019 compared to SAR 433.7 mn in YTD 2018 mainly driven by cost optimization and turnaround initiatives, despite the negative impact of IFRS 16

# RETAIL – FINANCIAL HIGHLIGHTS

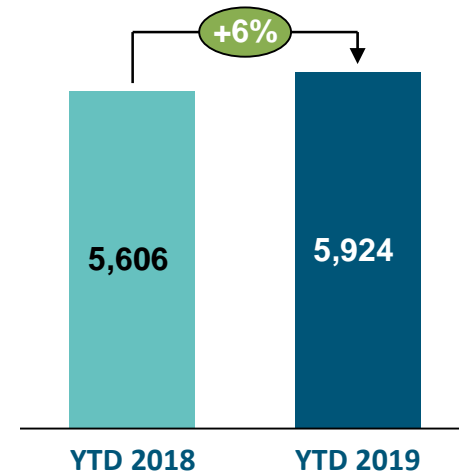
SAR mn

 Growth  Margin

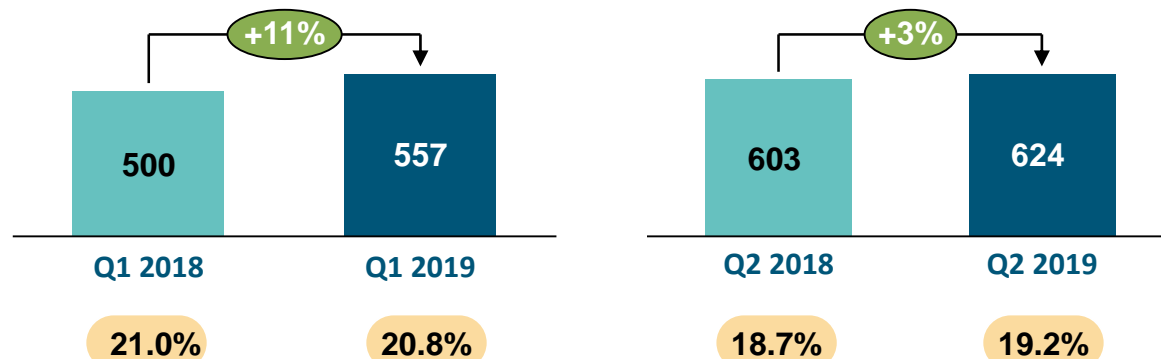
## YoY Sales



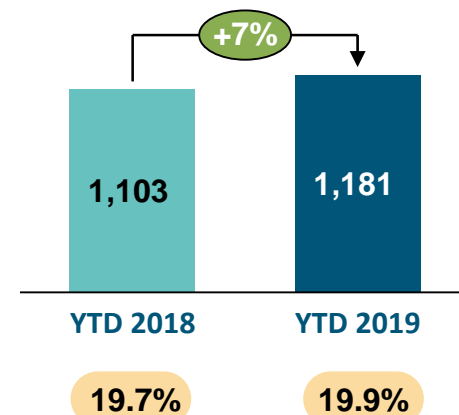
## YTD Sales



## YoY Gross Profit



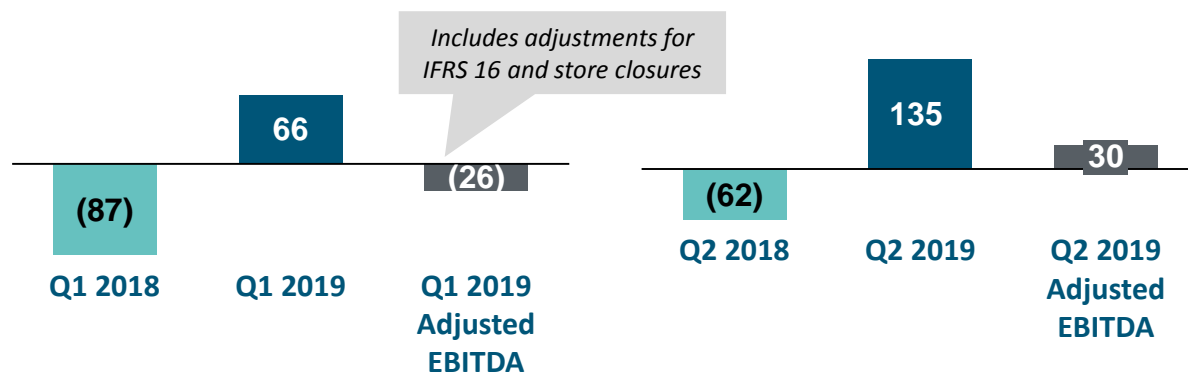
## YTD Gross Profit



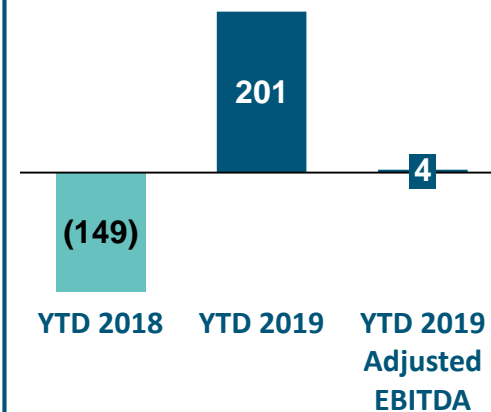
# RETAIL – FINANCIAL HIGHLIGHTS

SAR mn

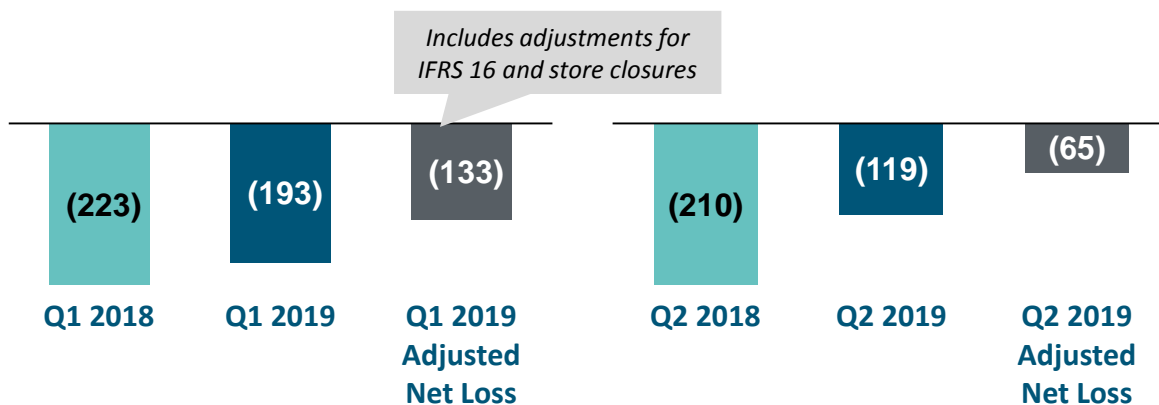
## YoY EBITDA\*



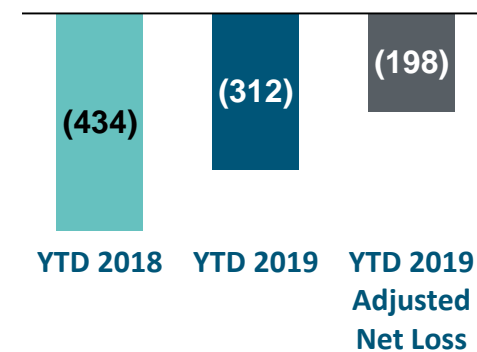
## YTD EBITDA\*



## YoY Net Loss\*



## YTD Net Loss\*



# RETAIL – NUMBER OF STORES BY QUARTER

SAR mn

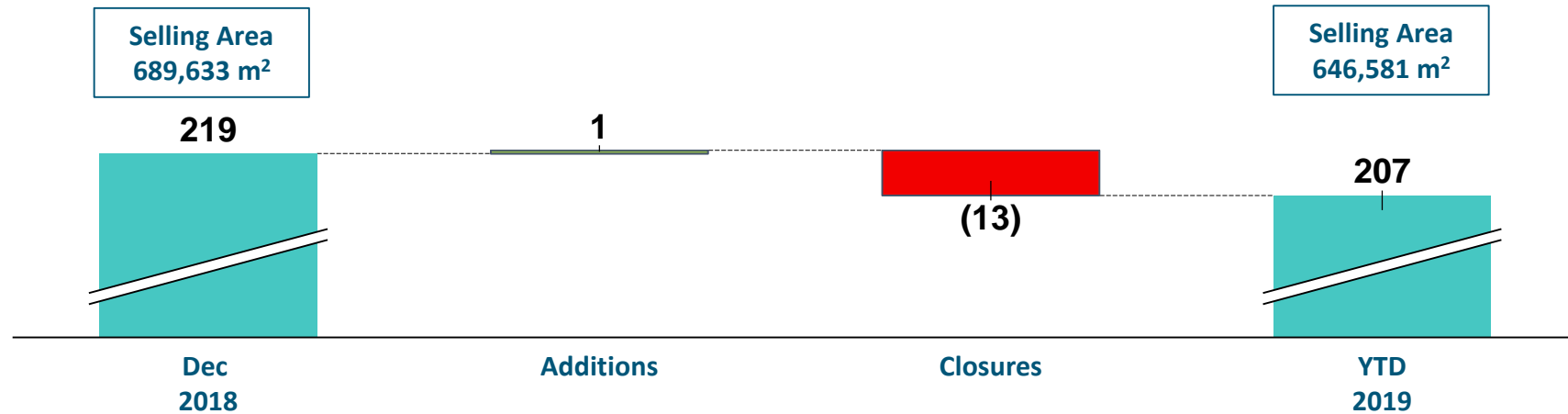
## Super



## Hyper



## Total



Note: 4 Hyper stores were closed during Q2



SAVOLA FOODS

## FOODS – HIGHLIGHTS

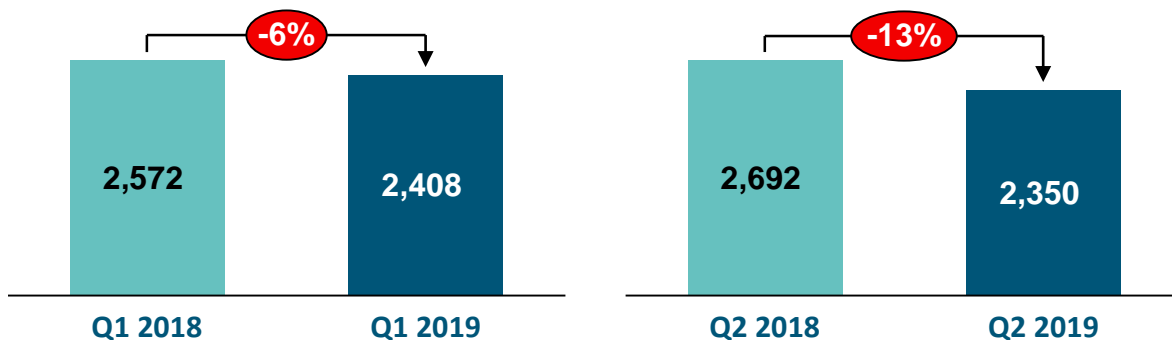
- Total volume has declined by 4.7% to 1,646 MT by YTD 2019 compared to 1,728 MT in YTD 2018 mainly driven by a decline in oil volume
- YTD June 2019 revenues are 9.6% lower than the same period last year decreasing from SAR 5,264 mn to SAR 4,758 mn primarily due to:
  - 15.5% decline in the edible oil segment mainly due to supply challenges of crude oil in Central Asia
  - Sugar remained flat while pasta improved by 10.1% due to price increases and improved product mix
- YTD 2019 net income is SAR 177.8 mn which is 24.5% higher compared to SAR 142.9 mn in YTD 2018

# FOODS – FINANCIAL HIGHLIGHTS

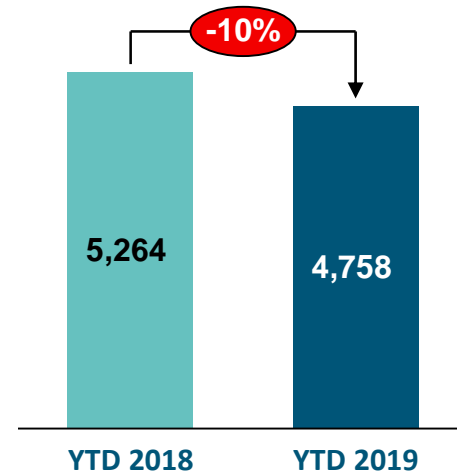
SAR mn

 Growth  Margin

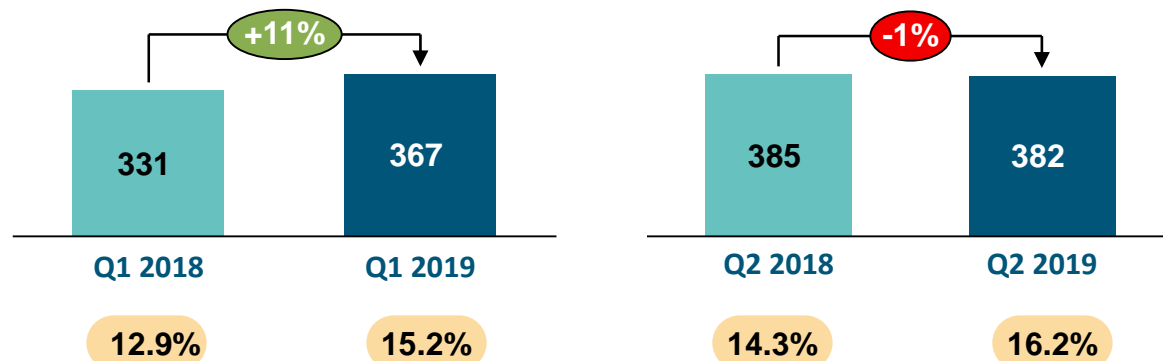
## YoY Sales



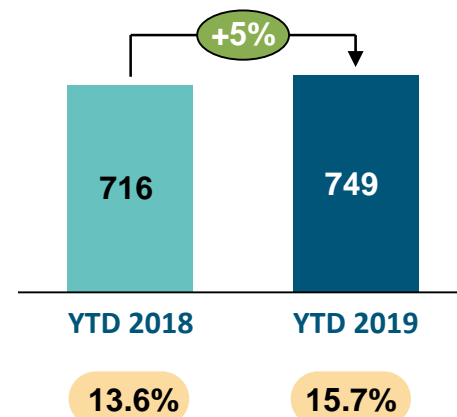
## YTD Sales



## YoY Gross Profit



## YTD Gross Profit



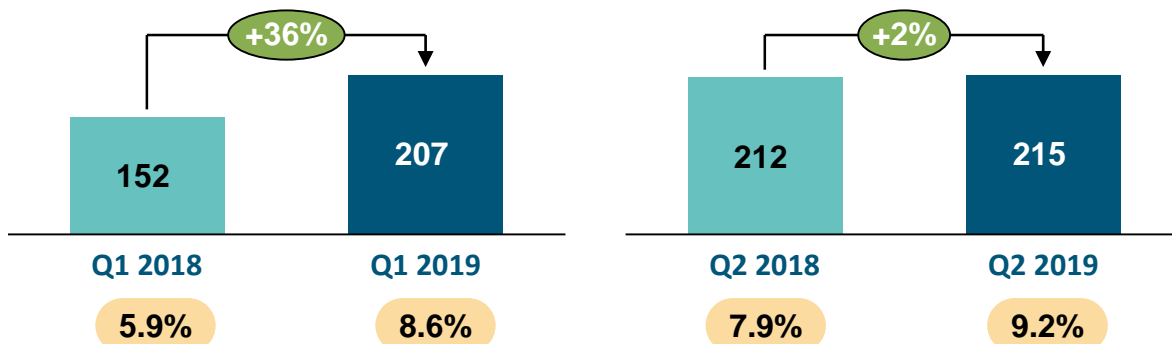


# FOODS – FINANCIAL HIGHLIGHTS

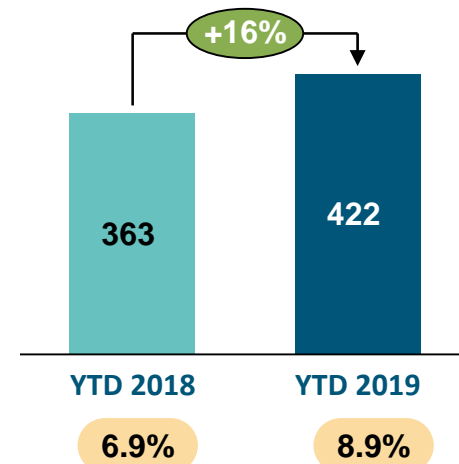
SAR mn

 Growth  Margin

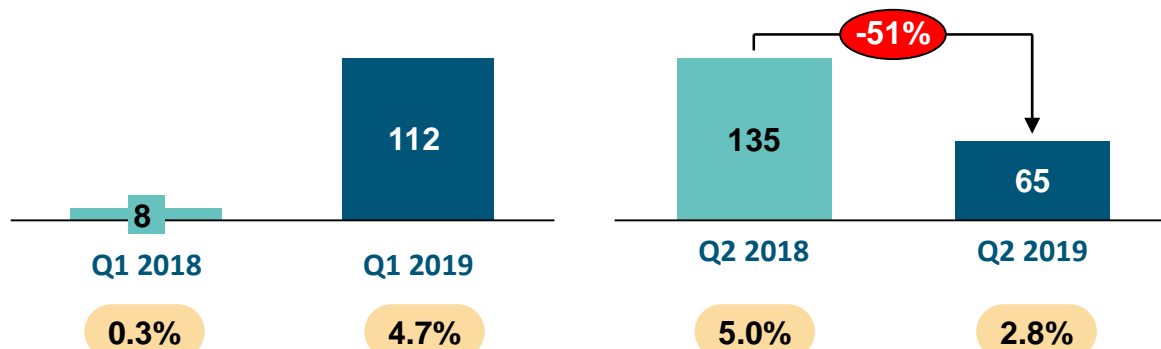
## YoY EBITDA



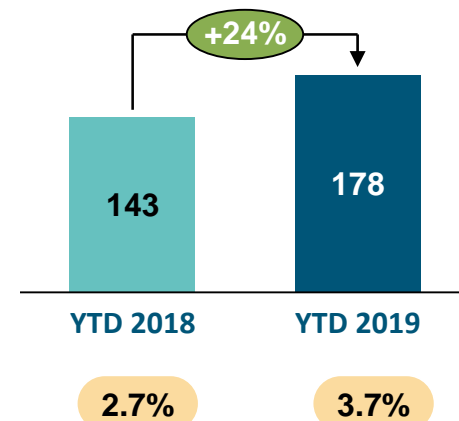
## YTD EBITDA



## YoY Net Income

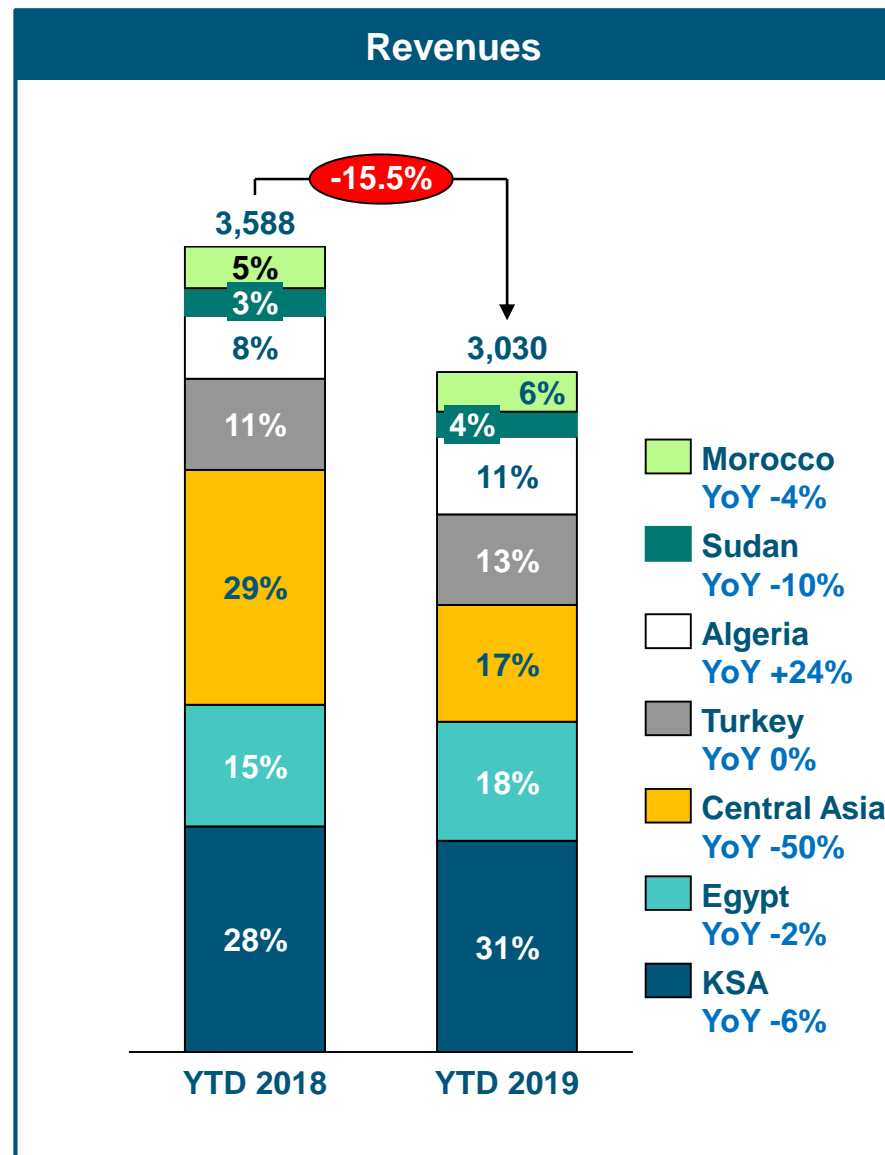
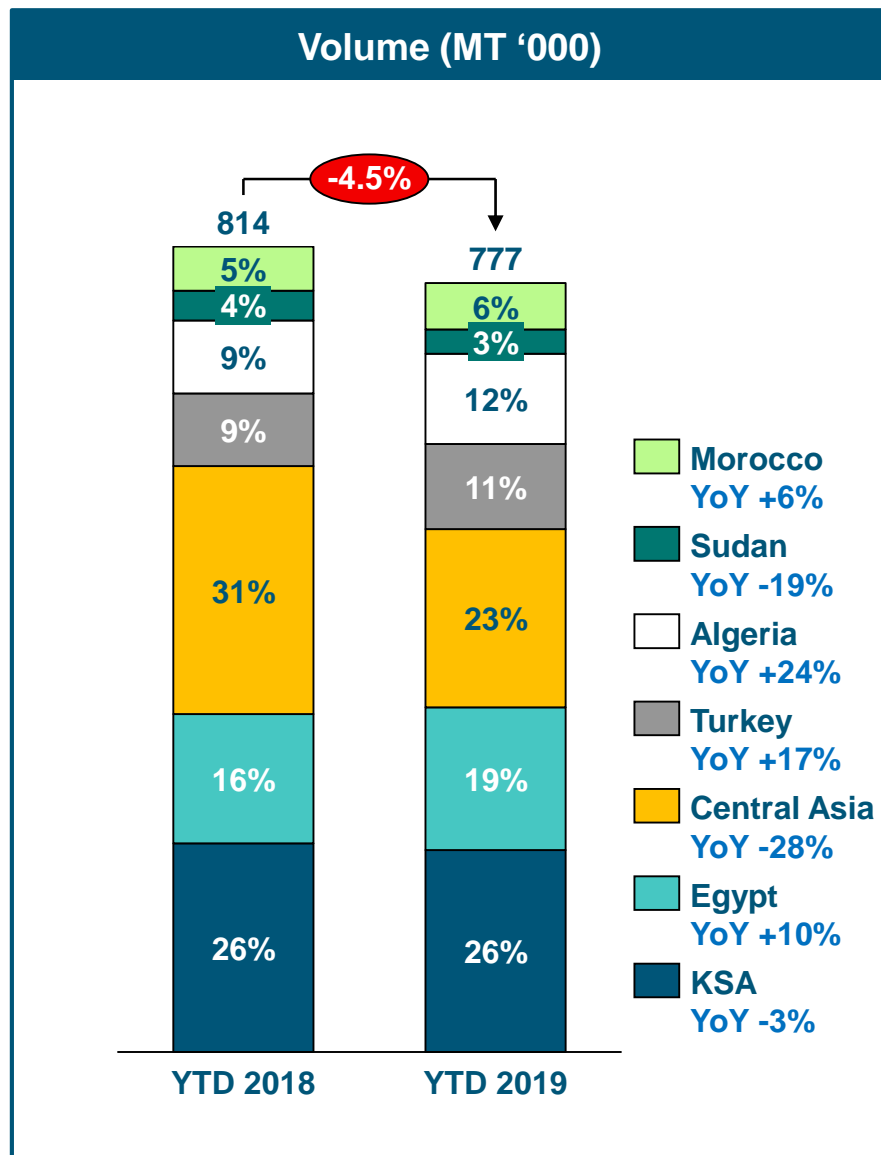


## YTD Net Income



# FOODS – OIL SEGMENT ANALYSIS

SAR mn

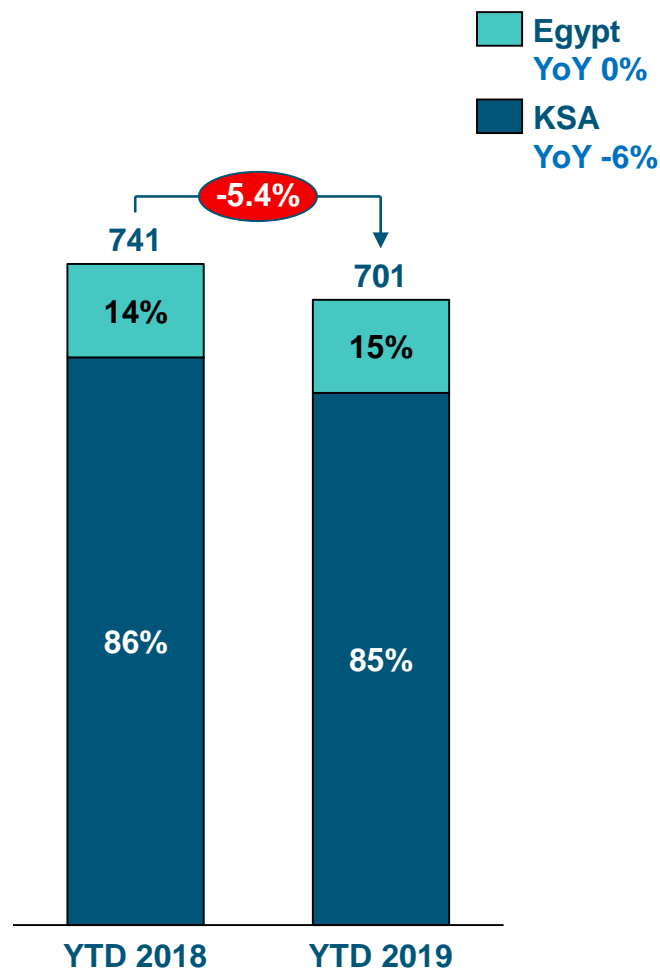


Note: The above includes net distribution volume and excludes specialty fat business that used to be combined with the edible oil category previously

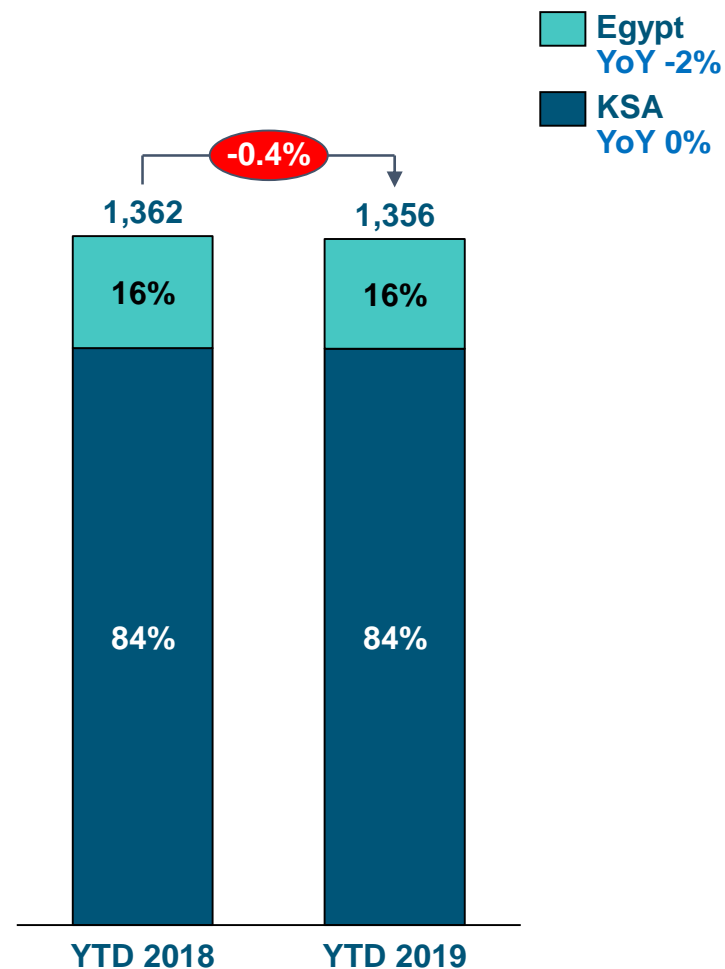
# FOODS – SUGAR SEGMENT ANALYSIS

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 volume and revenue from our KSA sugar distribution operations.



# FINANCIAL SUMMARY



# FINANCIALS – YTD 2019

(all figures are in SAR millions)

Segment Wise Financials										
	YTD 2019					YTD 2018				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
<b>Food*</b>										
Oil-Mature Markets	2,395	431	162	107	205	3,000	416	148	77	182
Oil-Start-up Markets**	635	73	40	24	46	588	70	29	16	35
Total Oil	3,030	504	201	131	252	3,588	486	177	93	217
Sugar	1,356	211	117	72	157	1,362	204	106	51	135
Pasta	278	32	10	1	18	253	33	13	5	21
Emerging Categories***	95	1	(13)	(27)	(4)	61	(7)	(18)	(6)	(10)
<b>Total Foods</b>	<b>4,758</b>	<b>749</b>	<b>315</b>	<b>178</b>	<b>422</b>	<b>5,264</b>	<b>716</b>	<b>278</b>	<b>143</b>	<b>363</b>
<b>Retail</b>										
KSA	5,875	1,172	(180)	(309)	199	5,557	1,096	(396)	(425)	(145)
Egypt	49	9	(6)	(3)	2	49	7	(8)	(8)	(4)
<b>Total Retail</b>	<b>5,924</b>	<b>1,181</b>	<b>(186)</b>	<b>(312)</b>	<b>201</b>	<b>5,606</b>	<b>1,103</b>	<b>(404)</b>	<b>(434)</b>	<b>(149)</b>
Herfy	623	182	110	89	190	573	158	103	94	140
Frozen Food	311	118	42	38	50	-	-	-	-	-
Real Estate	-	-	8	8	8	-	-	11	11	11
Al Marai-Savola Share	-	-	317	317	317	-	-	347	347	347
HQ/Elimination/Impairments	(204)	0	(37)	(201)	(19)	(188)	(2)	(40)	(105)	(29)
<b>Total</b>	<b>11,412</b>	<b>2,229</b>	<b>570</b>	<b>117</b>	<b>1,169</b>	<b>11,256</b>	<b>1,975</b>	<b>294</b>	<b>56</b>	<b>683</b>
<b>Adjustments</b>										
Gain on Sale of Dar Al Tamleek									(3)	
Store Closure & Project Write-off				63						
Net Impact of IFRS16				59						
Afia Reversal of Accrual				(48)						
<b>Adjusted Profit</b>				<b>191</b>					<b>53</b>	

\*The numbers are rounded for the purpose of presentation, and prior years numbers have been regrouped to conform to the new reporting methodology

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

\*\*\* Emerging Categories include specialty fats, seafood, croissant, etc.