



Earnings Presentation

Q3 2017



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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The Q3 2017 numbers are based on interim unaudited financials.

GROUP – HIGHLIGHTS

- In Q3 2017, the Group reported a net profit of SAR 829 million; with adjusted net profit of SAR 135.1 million after deducting the capital gain of SAR 693.9 million from the sale of 2% of Almarai shares.
- Savola's retail segment recorded a net loss of SAR 218.8 million for the quarter. The turnaround is ongoing; the business has maintained the negative working capital position and cash flow from operations is positive.
- Within the food segment, revenues continue to be stable and the segment recorded a net profit of SAR 105.7 million for the quarter. Operationally, Egypt continues to be challenging due to the economic conditions.
- Herfy recorded a net income of SAR 56 million for the quarter, a decline of 5.5% compared to the same quarter last year.
- Almarai continues to perform well with a profit of SAR 667 million in Q3, translating into SAR 241.4 million net income contribution to the Group.

Q3 2017 - SNAPSHOT

GROUP

- » Q3 2017 revenue of SAR 5.7 bn (Q3 2016: SAR 6.2 bn)
- » Q3 2017 net income SAR 829 mn (Q3 2016: SAR 179.5 mn)
- » Adjusted net income of SAR 135.1 mn after gain of sale of Almarai shares

RETAIL

- » Q3 2017 revenue of SAR 2.7 bn (Q3 2016: SAR 3.2 bn)
- » Q3 2017 net loss of SAR 218.8 mn (Q3 2016: Net loss of SAR 142.4 mn)

FOODS

- » Q3 2017 revenue of SAR 2.7 bn (Q3 2016: 2.7 bn)
- » Q3 2017 net income of SAR 105.7 mn (Q3 2016: SAR 101.2 mn)

HERFY

- » Q3 2017 revenue of SAR 311.7 mn (Q3 2016: SAR 315.2 mn)
- » Q3 2017 net income of SAR 56 mn (Q3 2016: SAR 59.3 mn)

INVESTMENTS

- » Almarai recorded quarterly net income of SAR 667 mn

GROUP – CONSOLIDATED FINANCIAL SNAPSHOT

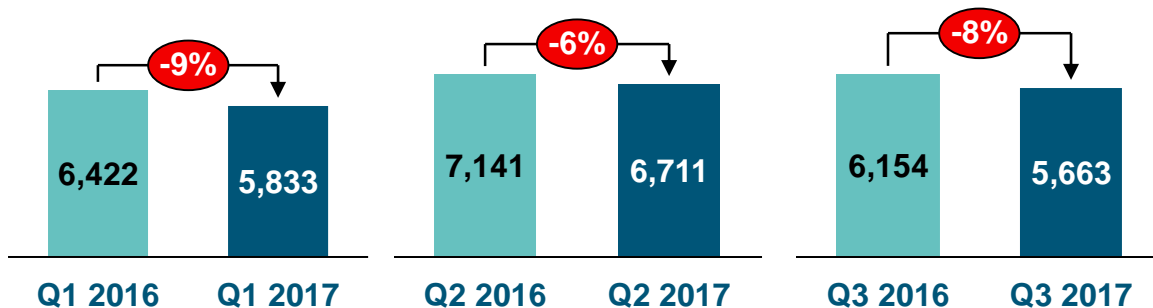
SAR Mn	Revenue	Gross Profit	EBIT	Net Income	Adjusted Net Income
Q3 2017	5,663 -8.0% vs. LY	1,042 -11.9% vs. LY	280 -20.9% vs. LY	829 +361.8% vs. LY	135.1 -24.7% vs. LY
YTD 2017	18,208 -7.7% vs. LY	3,222 -15.0% vs. LY	712 -38.2% vs. LY	1,063 +92.5% vs. LY	316 -44.8% vs. LY

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

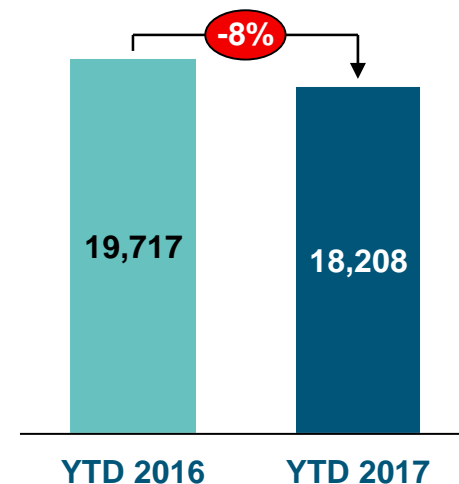
SAR Mn

● Growth ● Margin

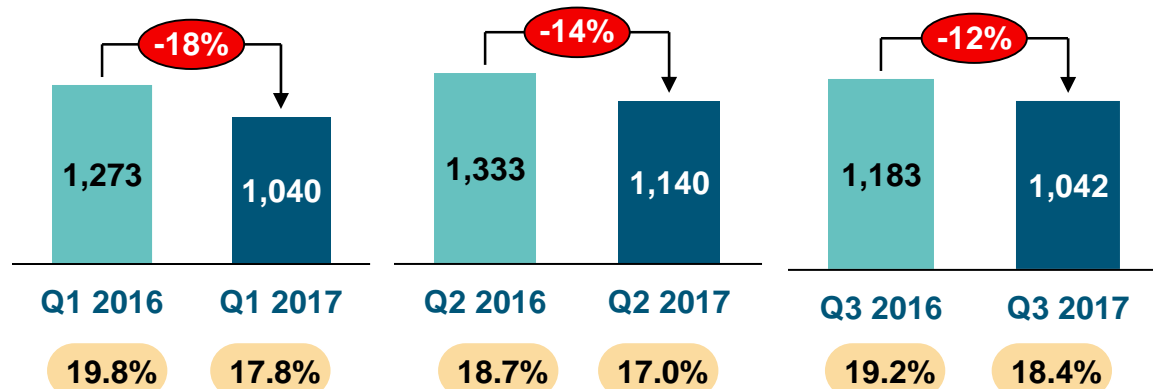
YoY Sales



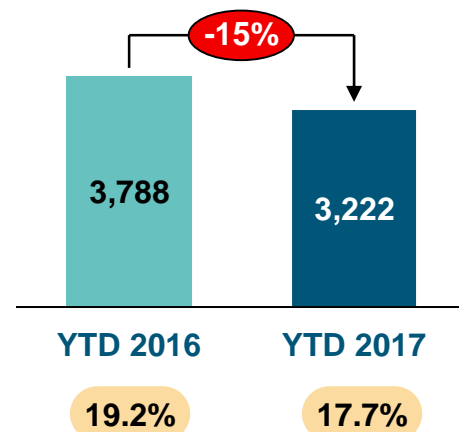
YTD Sales



YoY Gross Profit



YTD Gross Profit



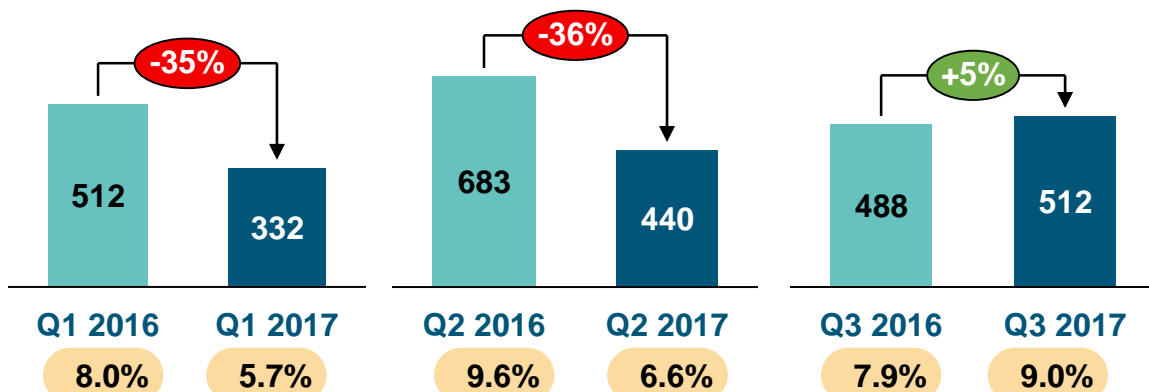
Note: the figures presented in the charts are rounded

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

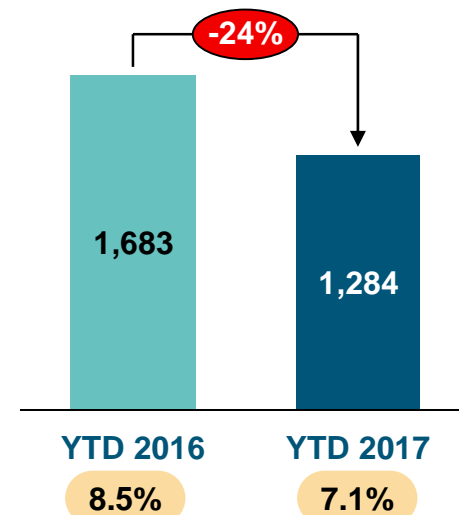
SAR Mn

● Growth ● Margin

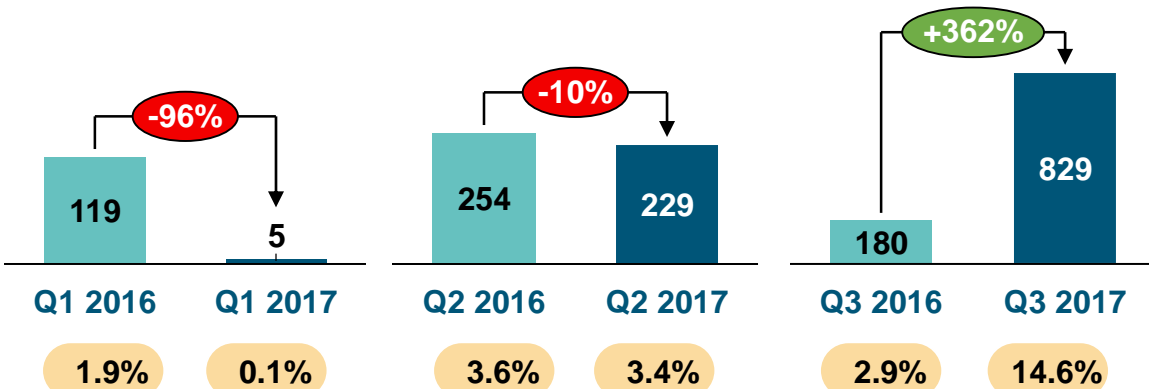
YoY EBITDA



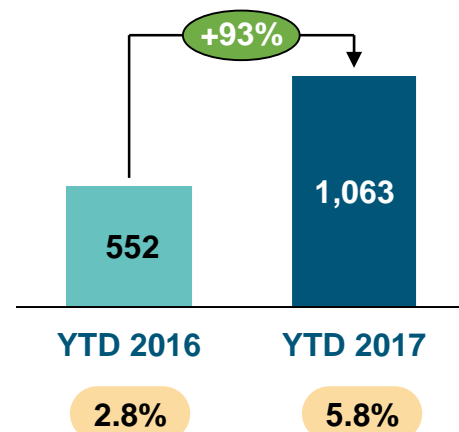
YTD EBITDA



YoY Net Profit



YTD Net Profit

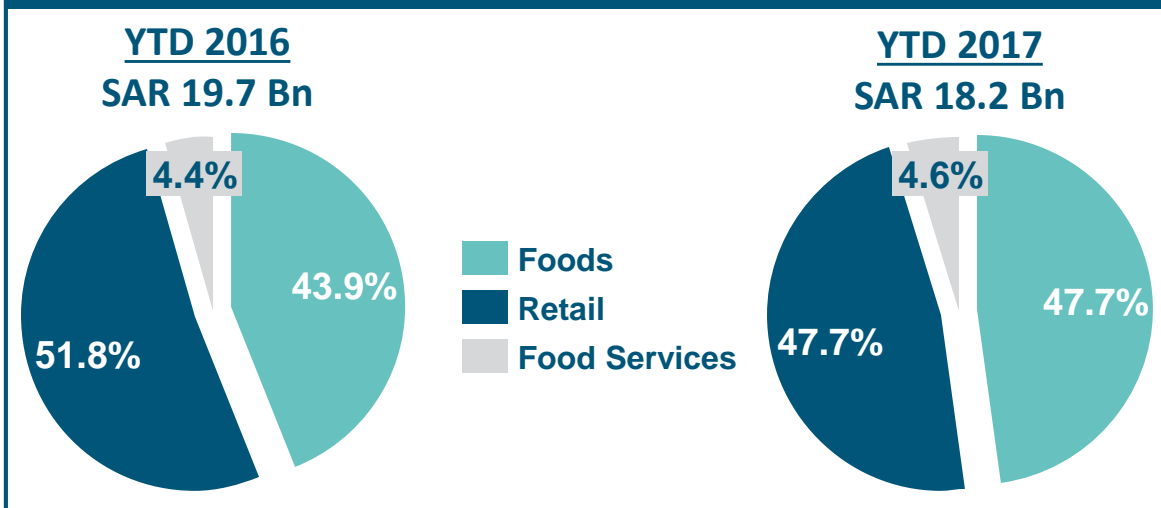


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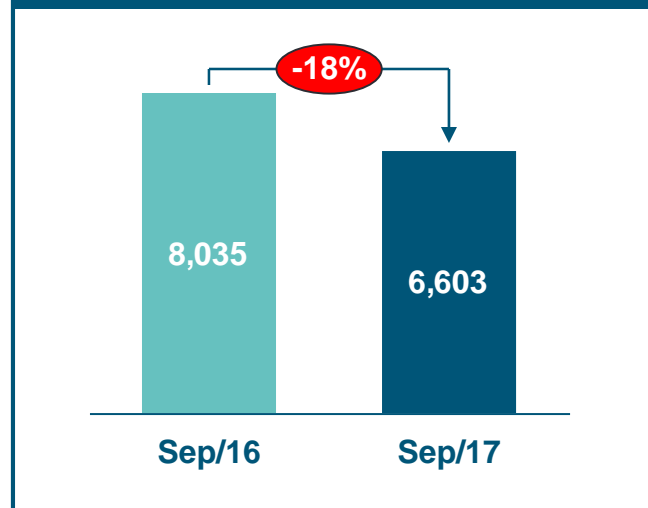
GROUP – CONSOLIDATED REVENUE MIX, NET DEBT & CAPEX

SAR Bn

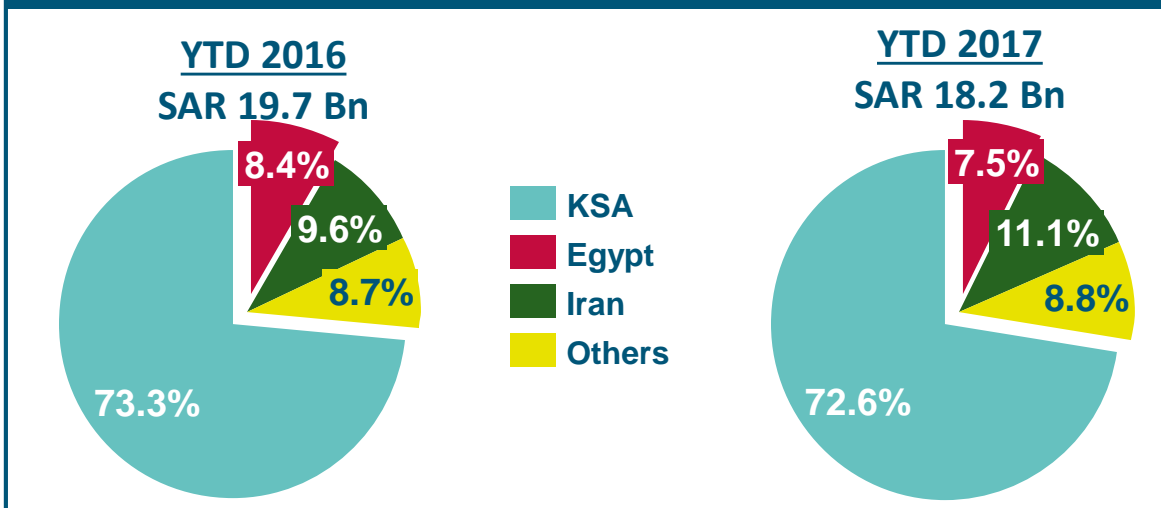
Revenue by Business



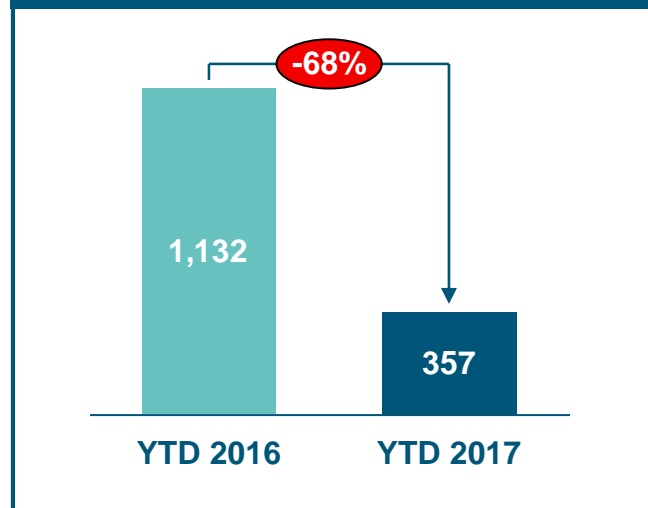
Net Debt



Revenue by Geography



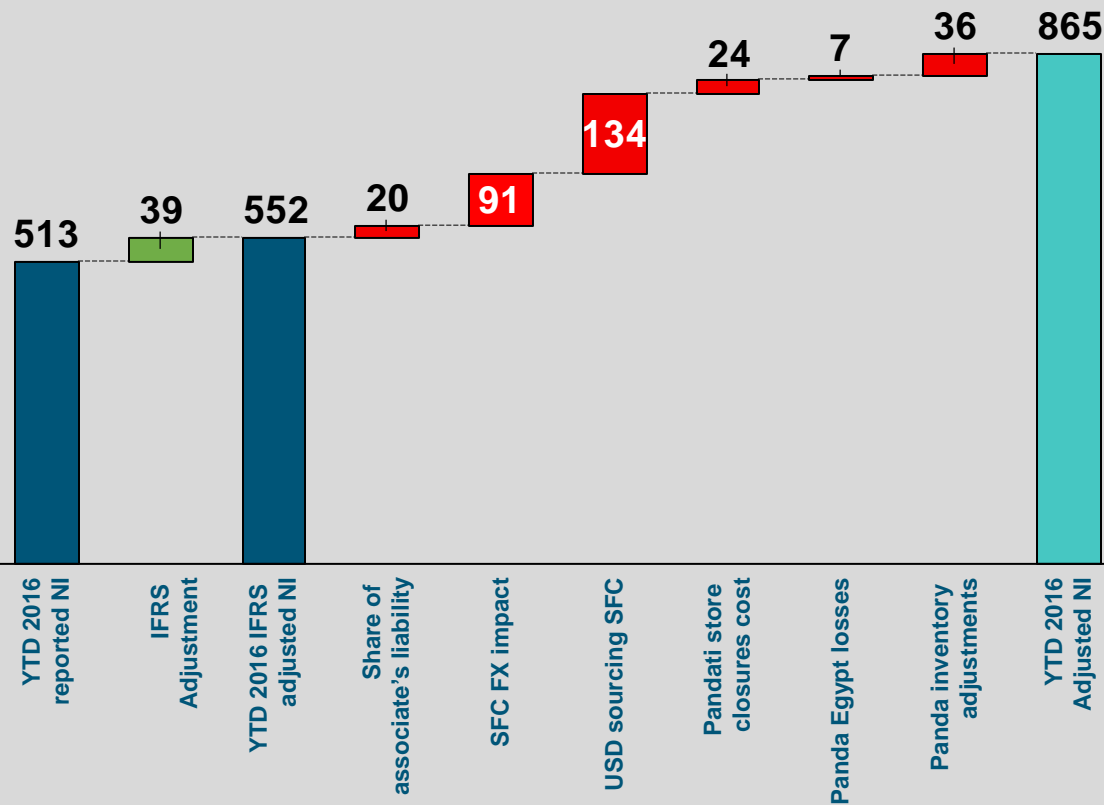
CAPEX



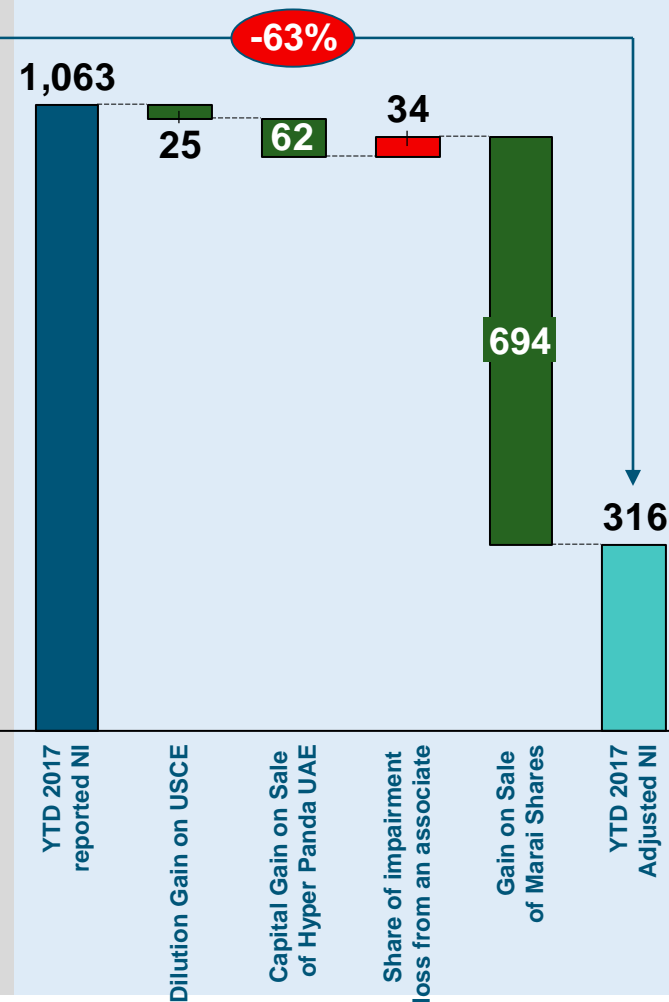
IMPLICATIONS OF EXCEPTIONAL ITEMS

SAR Mn

Adjusted YTD 2016 Net Income



Adjusted YTD 2017 Net Income





PANDA RETAIL COMPANY

سافولا
SAVOLA

RETAIL – HIGHLIGHTS

- The transformation exercise initiated last year is ongoing with several initiatives running concurrently.
- Six Pandati stores and three supermarkets closed in Q3 2017. Total retail selling space decreased by -0.06% in Q3 2017 from Dec 2016
- LFL sales dropped owing mainly to a reduction in basket size across both hypermarket and supermarket formats. This is mainly attributable to a consumer preference to buy promotional items.
- Reported net loss for Q3 2017 for Retail was SAR 219 million, compared to SAR 142 million last year.

RETAIL - SNAPSHOT

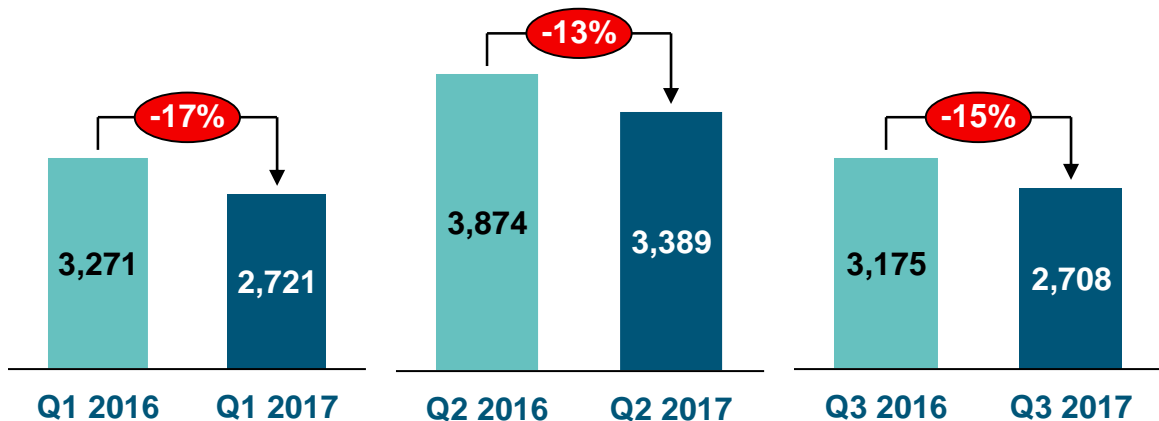
	Revenue	Gross Profit	Net Loss	Adjusted Net Loss	Selling Space
<i>SAR m</i>					
Q3 2017	2,708 -14.7% vs. LY	558 -15.0% vs. LY	(219) Q3 2016 : (142)	(219) Q3 2016 : (142)	Reduced by 6,791 m ²
YTD 2017	8,818 -14.6% vs. LY	1,673 -21.6% vs. LY	(608) YTD 2016: (268)	(670) YTD 2016: (268)	Total Space 752,303 m ²

RETAIL – FINANCIAL HIGHLIGHTS

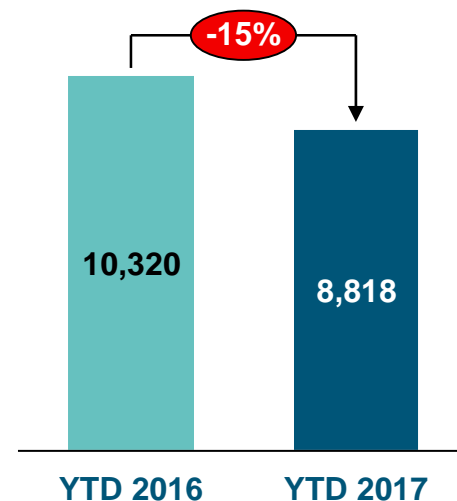
SAR Mn

● Growth ● Margin

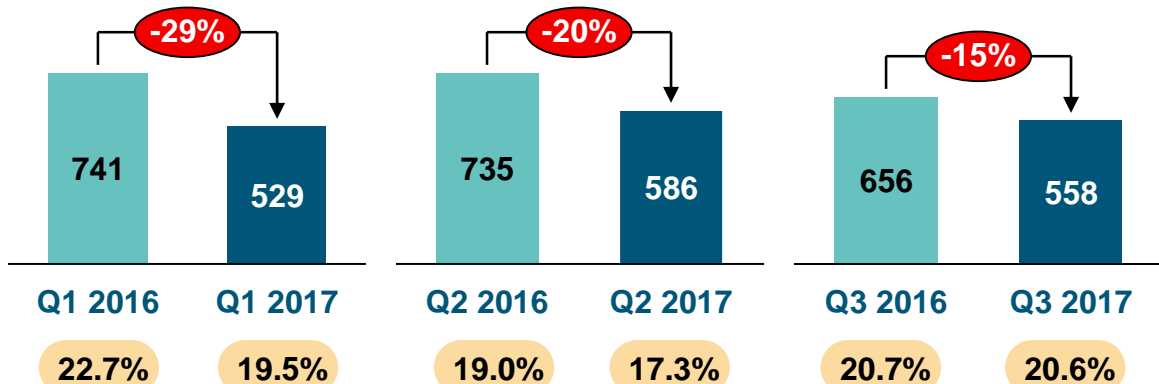
YoY Sales



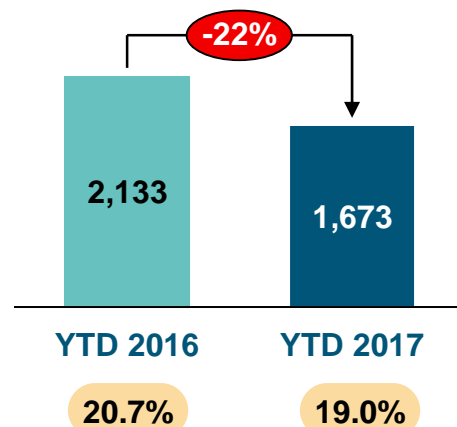
YTD Sales



YoY Gross Profit



YTD Gross Profit



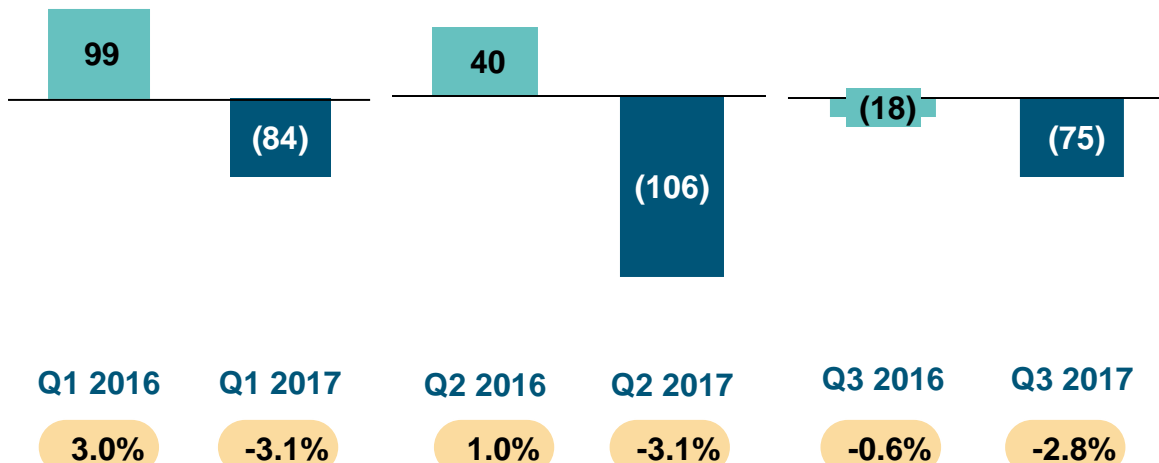
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RETAIL – FINANCIAL HIGHLIGHTS

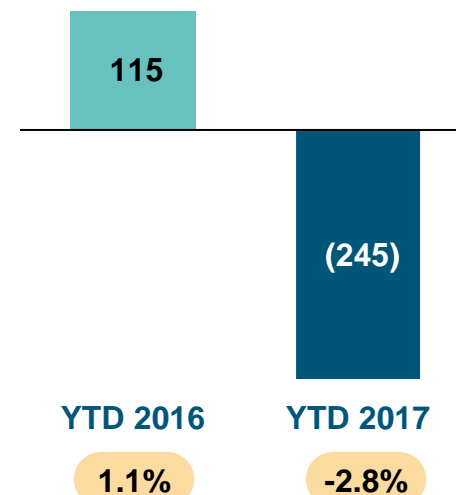
SAR Mn

Margin

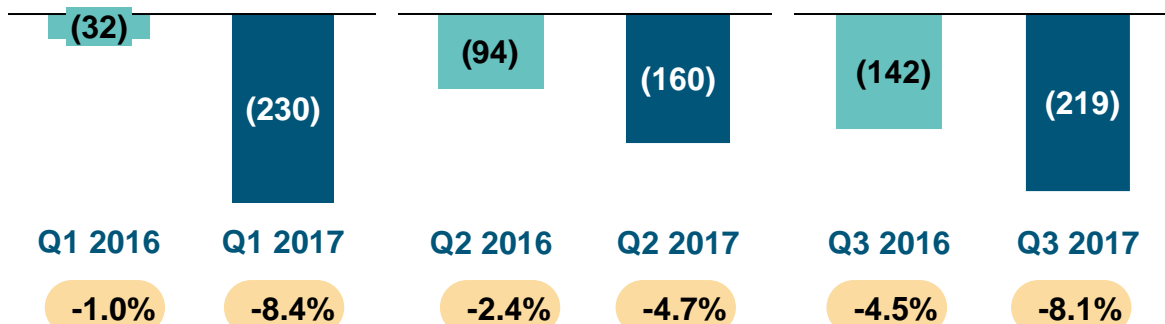
YoY EBITDA



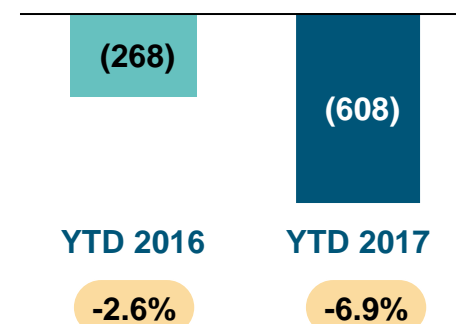
YTD EBITDA



YoY Net Profit



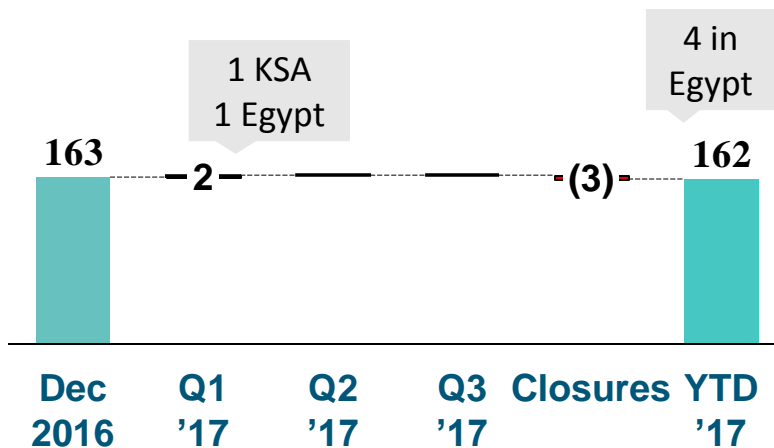
YTD Net Profit



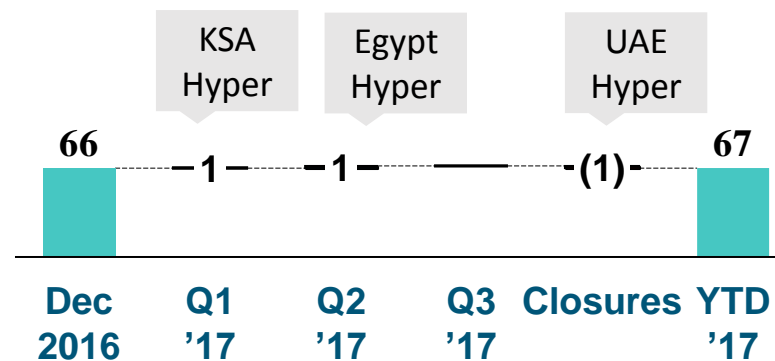
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RETAIL – NUMBER OF STORES BY QUARTER

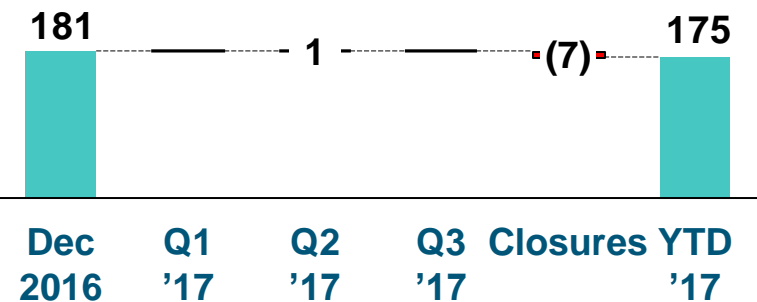
Super



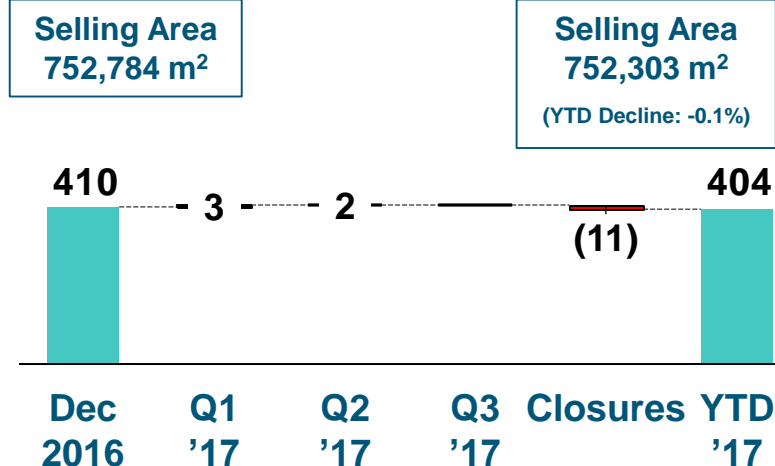
Hyper



Pandati



Total





SAVOLA FOODS

FOODS – HIGHLIGHTS

- Q3 2017 total revenue of SAR 2.71 billion is 0.2% below Q3 2016 revenue of SAR 2.72 billion while YTD September 2017 revenue was 8.8 billion vs. YTD September 2016 revenue of 8.7 billion (+0.8%)
- Total volume of 2,535 k MT 0.8% below September YTD 2016 attributed to the following:
 - Oil volumes increased by 1.9%
 - Sugar volumes decreased by 3.1%
 - Pasta volumes decreased by 3.1%
- Reported net income for Q3 2017 for Food was SAR 106 million.

FOODS - SNAPSHOT

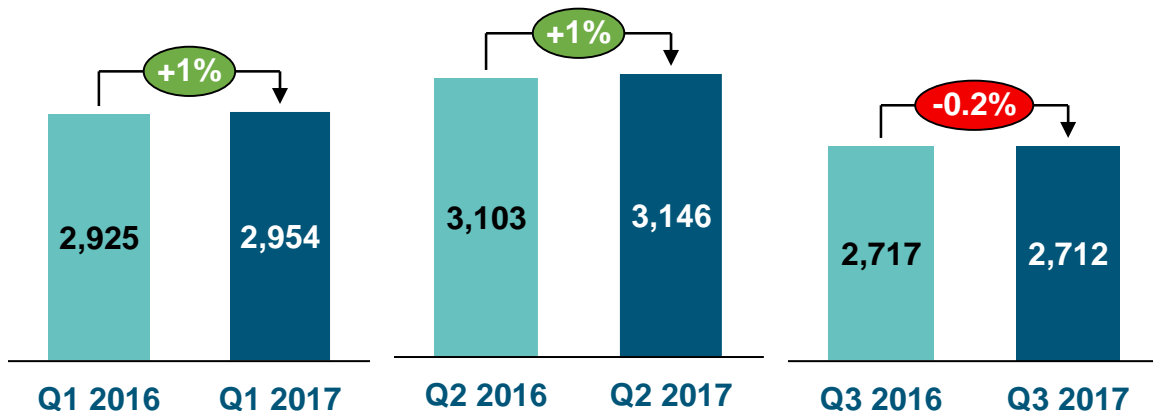
SAR m	Revenue	Gross Profit	EBIT	Net Income	Adjusted Net Income
Q3 2017	2,712 -0.2% vs. LY	397 -8.0% vs. LY	188 -8.5% vs. LY	106 +4.5% vs. LY	106 +4.5% vs. LY
YTD 2017	8,812 +0.8% vs. LY	1,303 -7.0% vs. LY	641 -9.0% vs. LY	409 +16.6% vs. LY	393 +12.2% vs. LY

FOODS – FINANCIAL HIGHLIGHTS

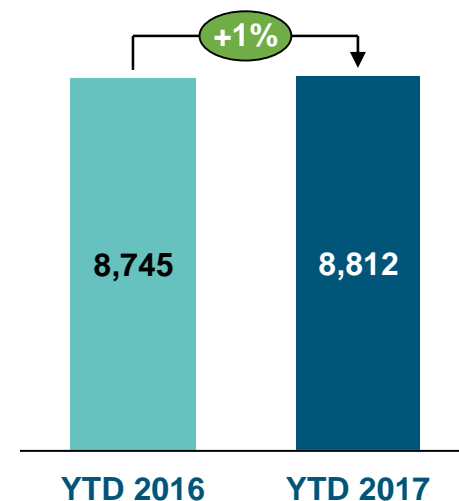
SAR Mn

● Growth ● Margin

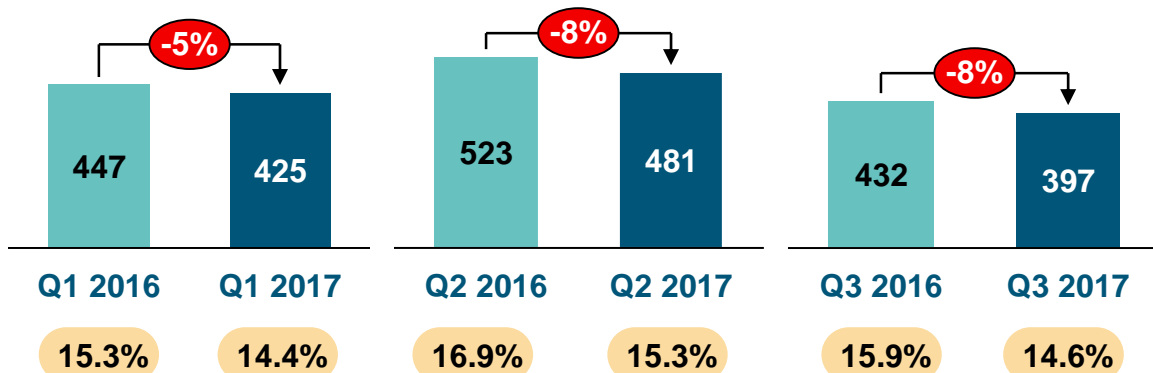
YoY Sales



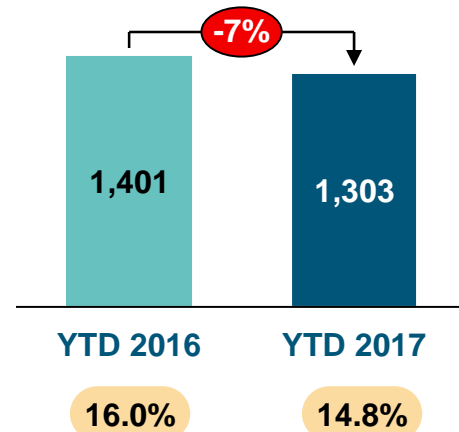
YTD Sales



YoY Gross Profit



YTD Gross Profit



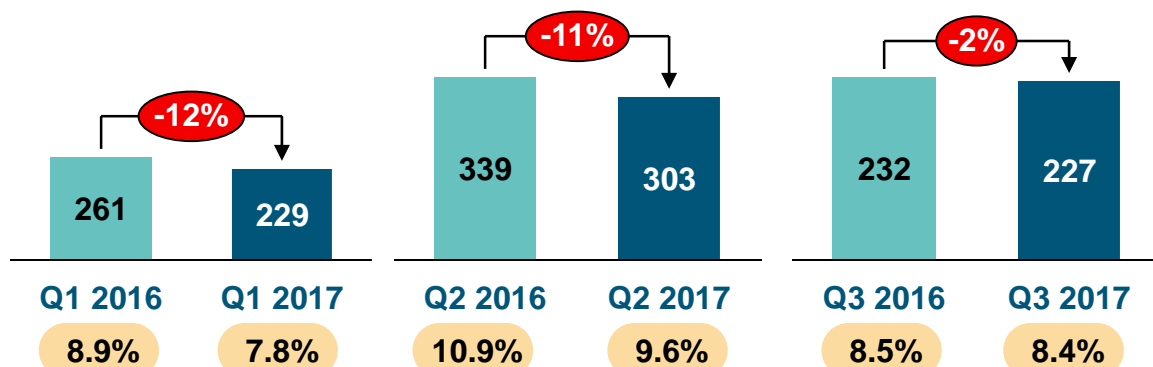
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FOODS – FINANCIAL HIGHLIGHTS

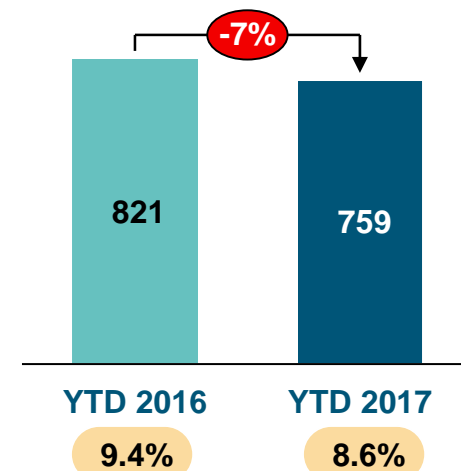
SAR Mn

● Growth ● Margin

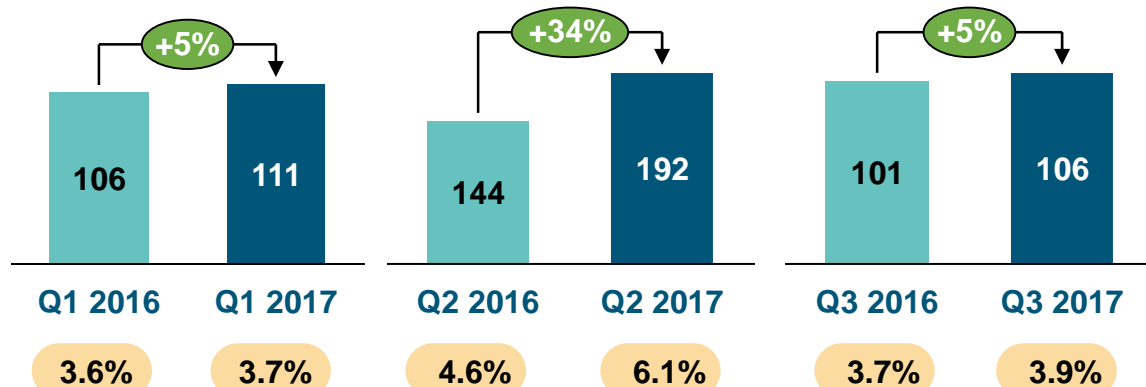
YoY EBITDA



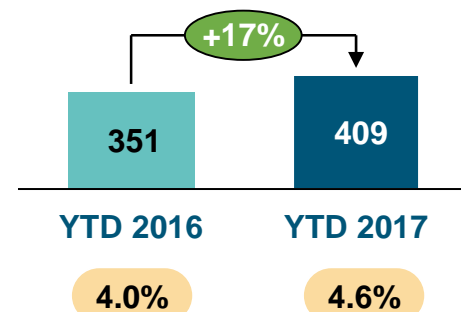
YTD EBITDA



YoY Net Profit



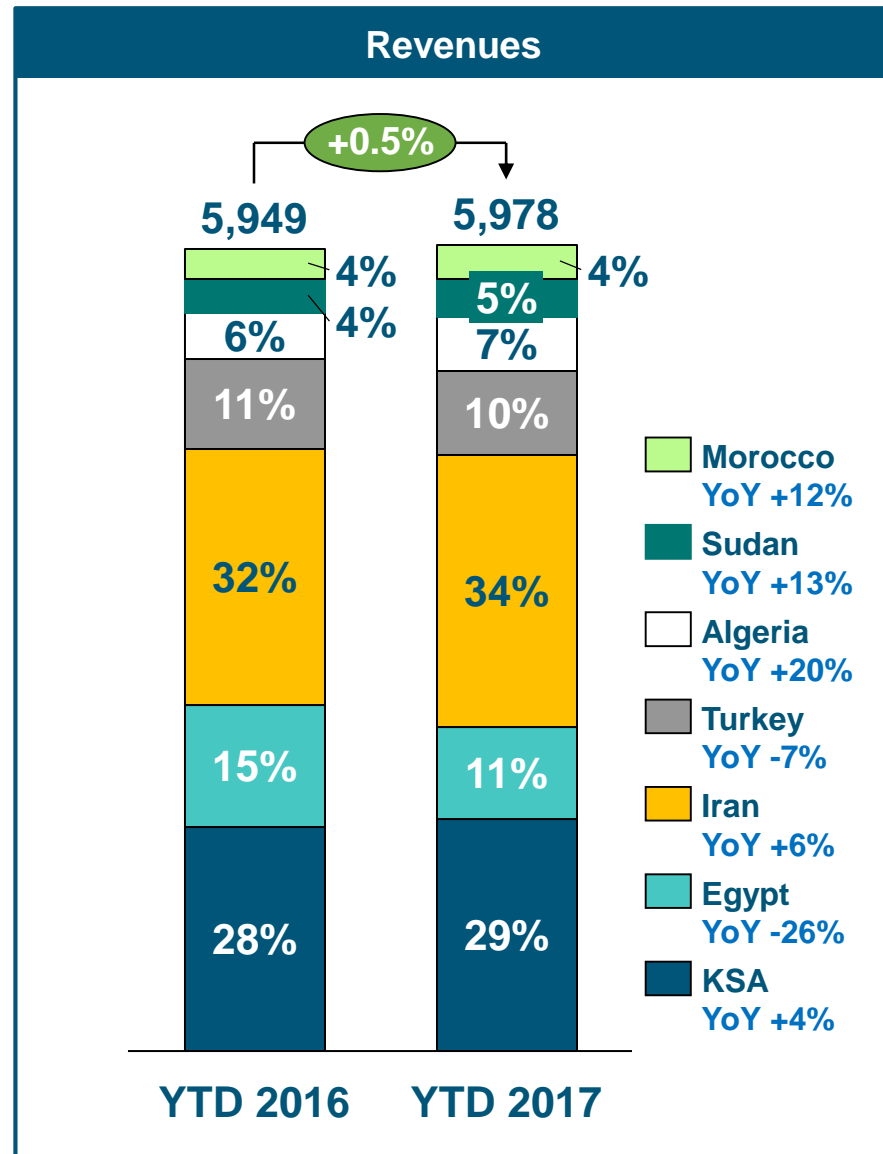
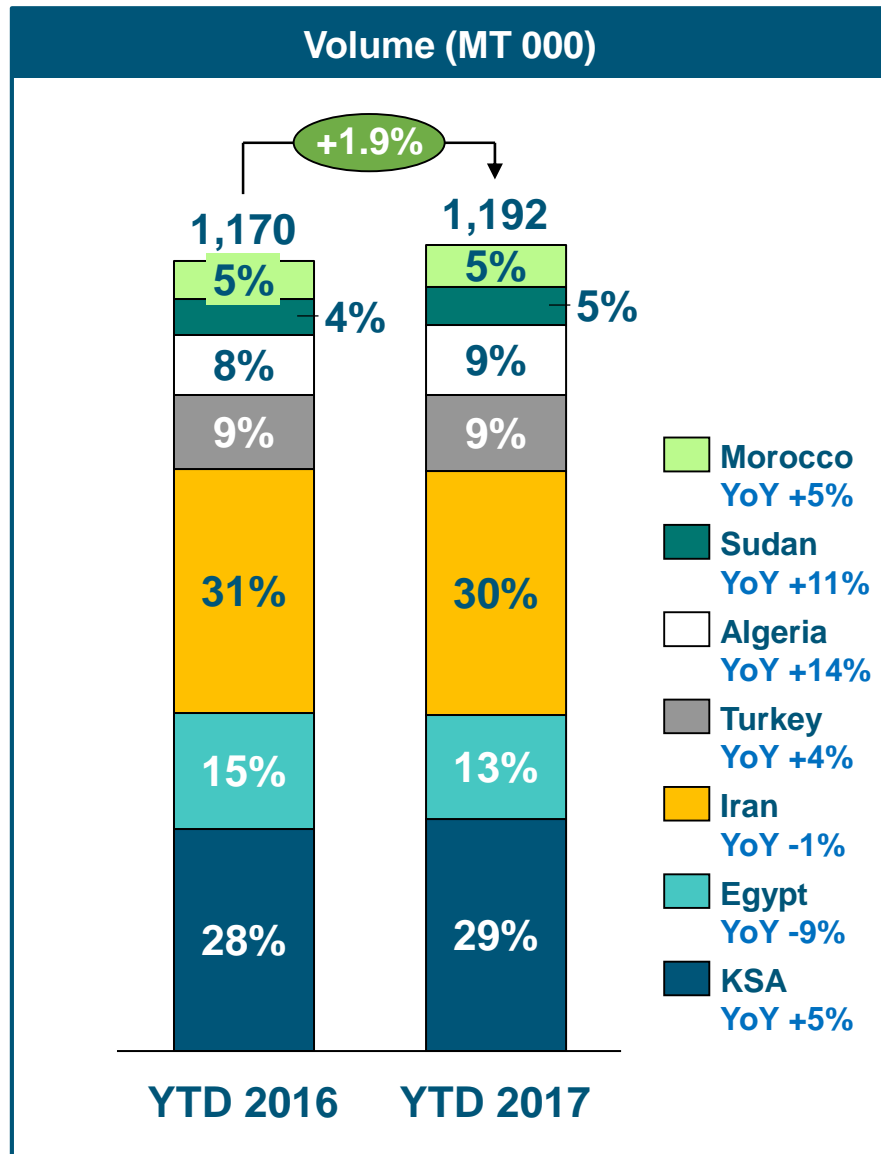
YTD Net Profit



Note: the figures presented in the charts are rounded

FOODS – OIL SEGMENT ANALYSIS

SAR Mn

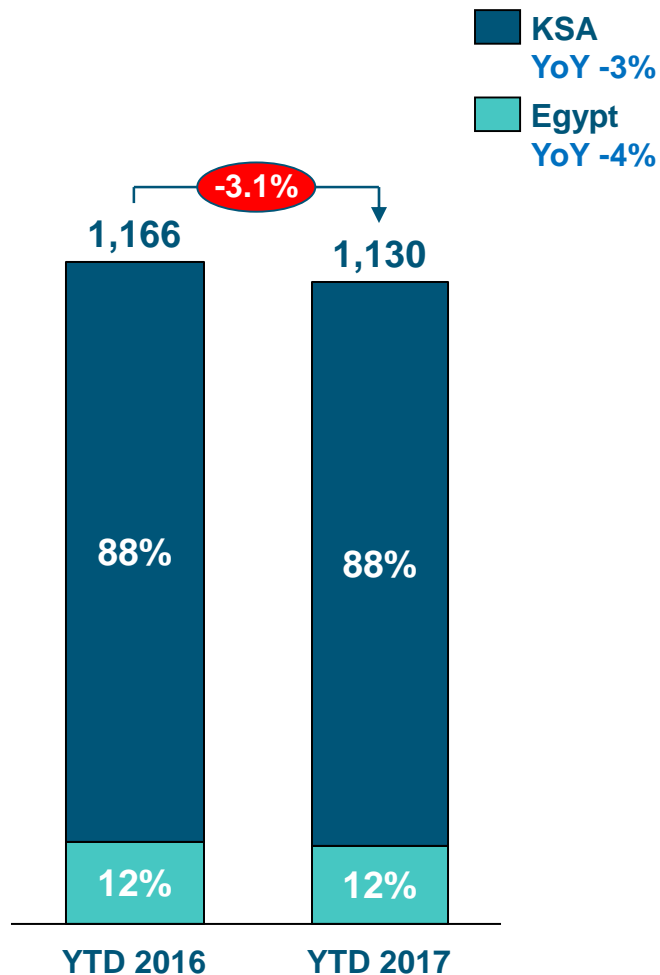


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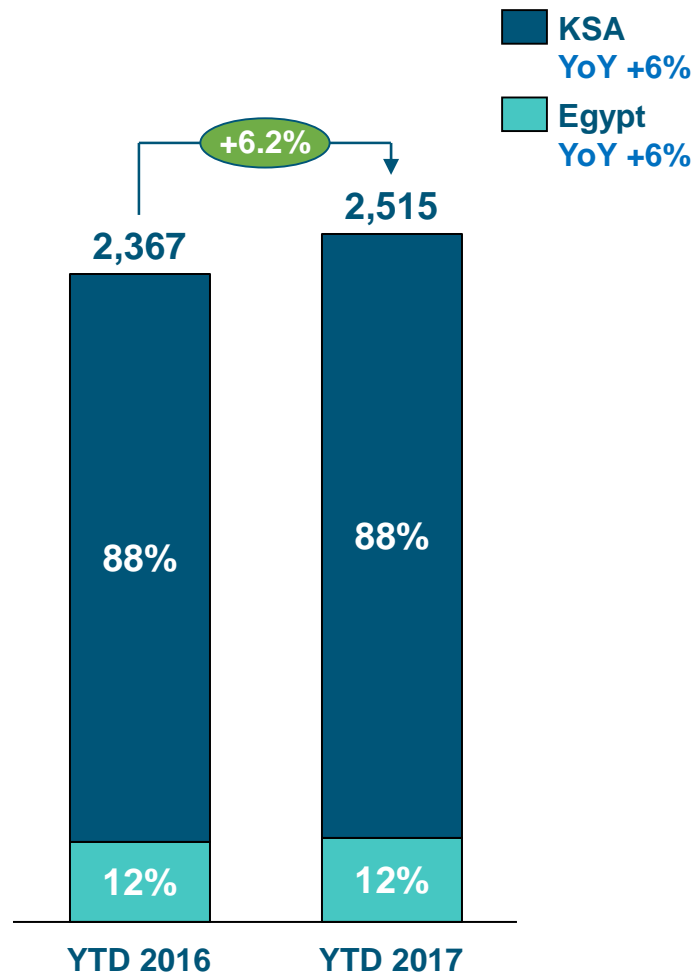
FOODS – SUGAR SEGMENT ANALYSIS

SAR Mn

Volume (MT '000) (1)



Revenues (1)



(1) Sugar volumes and revenues include only the contribution from sugar operations (USC and ASC).



FINANCIAL SUMMARY



FINANCIALS – YTD September 2017

(all figures are in SAR millions)

Segment Wise Financials										
	YTD - 2017					YTD - 2016 (Represented)				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food										
Oil-Mature Markets	5,037	866	383	275	433	5,134	1,029	562	371	610
Oil-Start-up Markets*	941	109	41	23	50	815	103	35	20	45
Total Oil	5,978	976	424	298	484	5,949	1,131	597	390	655
Sugar	2,523	285	201	102	249	2,367	169	53	(77)	99
Pasta	310	42	17	9	27	429	100	55	37	67
Total Foods	8,812	1,303	641	409	759	8,745	1,401	705	351	821
Retail										
KSA	8,669	1,657	(609)	(656)	(230)	10,068	2,086	(207)	(264)	114
Overseas	149	17	(19)	48	(15)	252	48	(2)	(4)	2
Total Retail	8,818	1,673	(627)	(608)	(245)	10,320	2,133	(209)	(268)	115
Herfy	859	252	163	152	216	876	257	170	162	235
Real Estate	-	-	(26)	(26)	(26)	-	-	16	16	16
Al Marai-Savola Share	-	-	607	607	607	-	-	590	590	590
HQ/Elimination/Impairments	(281)	(7)	(47)	529	(28)	(224)	(3)	(121)	(299)	(93)
Total	18,208	3,222	712	1,063	1,284	19,717	3,788	1,151	552	1,683
Adjustments										
Gain on Sale of USCE				(25)					-	
Share of Associates Liability				-					20	
Gain on Sale of Hyper Panda UAE				(62)					-	
Gain on Sale of 2% of Al Marai				(694)					-	
Share of impairment Loss from an Associate				34					-	
Adjusted Profit				316					573	

* Start-up markets include Algeria, Morocco and Sudan

Note: YTD 2016 net income has been adjusted for IFRS, whereas Adjusted Profit excludes the impact of both SFC FX impact, USD sourcing and Panda one off items shown earlier in slide 9.