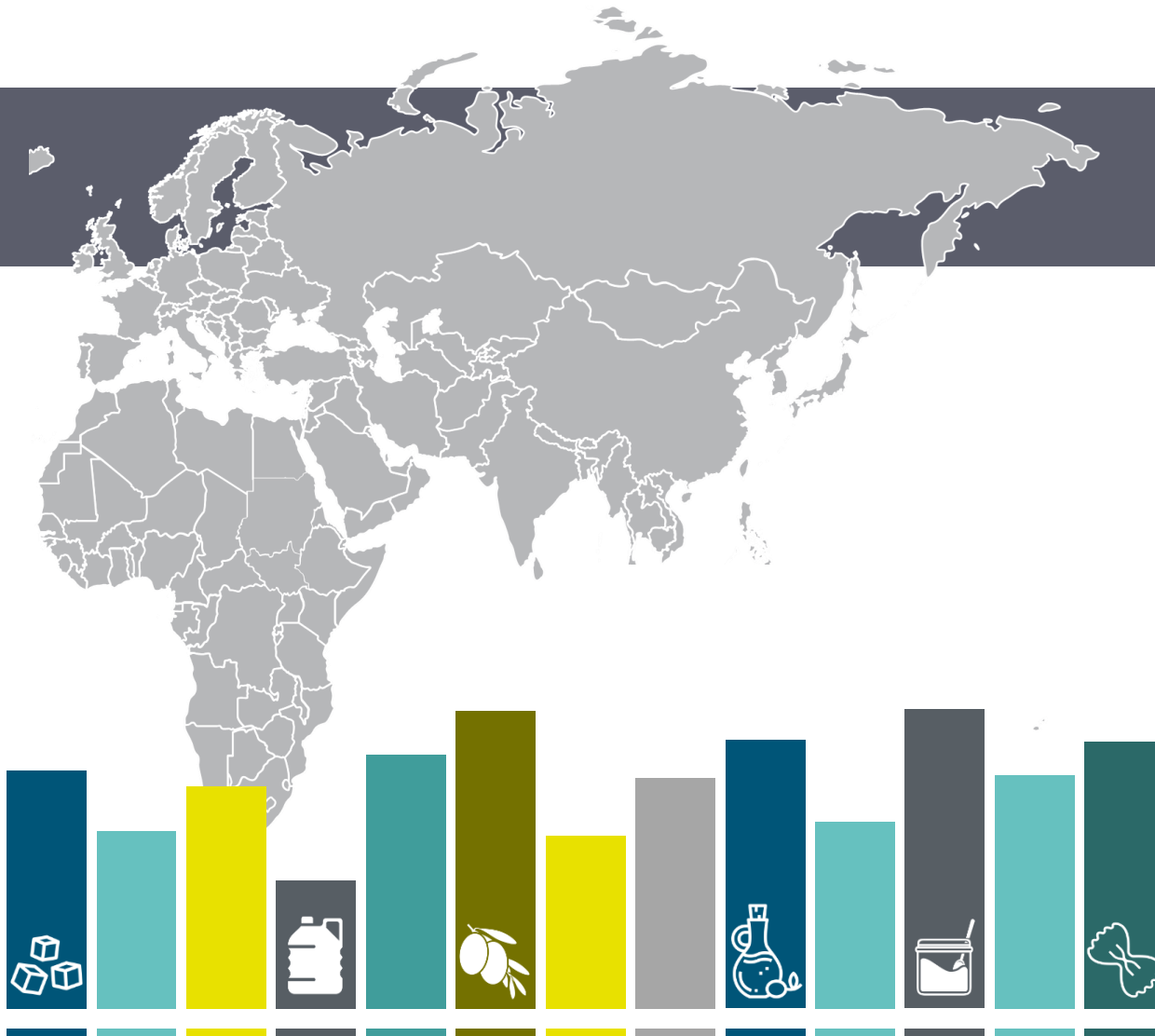


# Earnings Presentation

Q1 2020

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SAVOLA



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The Group and its subsidiaries have navigated this crisis well with a commitment to ensure safety to all of its stakeholders and to minimize product disruptions in the markets we operate in

- **Savola Group is largely in the food processing and grocery retail space**, hence most of our businesses have continued to operate in these circumstances and we do not foresee negative material impact in the interim, barring further developments, with the exception to the food services segment which have been affected negatively due to curfew and other measures
- **Well stocked inventories and high operational excellence prior and during the crisis has enabled us to maintain business continuity.** Our supply chain across both food and retail operations are well managed to serve the increased demand for food products
- **We, together with our subsidiaries continue to be proactive to address and mitigate any potential challenges through activated crisis management protocols to deal with the current pandemic:**
  - Panda Retail crisis management taskforce continues to ensure health and safety protection of staff and customers at its retail locations in addition to increased supply chain activities to ensure no stock outs at any of its locations
  - Savola Foods implemented specific measures in various countries to ensure safety and wellbeing of its staff and focused approach related to strategic sourcing to increase oil shipment volumes wherever possible and as needed
  - Al Kabeer has implemented a wide range of preventative measures to ensure production facilities continue normal operations, as well as, increase buffer stocks of raw material inventory to cater for the high demand
  - We, as a group, continue to actively monitor the situation and apply preventative measures to ensure continuing operations while maintaining the health of our staff and customers across all of our subsidiaries



## SNAPSHOT

Q1 2020

### GROUP

- Q1 2020 Revenue of SAR 6.1 bn (Q1 2019: SAR 5.4 bn)
- Q1 2020 Net Income of SAR 172.8 mn (Q1 2019: SAR 6.3 mn)

### RETAIL

- Q1 2020 Revenue of SAR 3.3 bn (Q1 2019: SAR 2.7 bn)
- Q1 2020 Net Income of SAR 10.8 mn (Q1 2019: Net Loss of SAR 192.7 mn)

### FOODS

- Q1 2020 Revenue of SAR 2.5 bn (Q1 2019: SAR 2.4 bn)
- Q1 2020 Net Income of SAR 73.2 mn (Q1 2019: SAR 112.4 mn)

### HERFY

- Q1 2020 Revenue of SAR 296.9 mn (Q1 2019: SAR 313.4 mn)
- Q1 2020 Net Income of SAR 25.1 mn (Q1 2019: SAR 48.1 mn)

### FROZEN FOOD

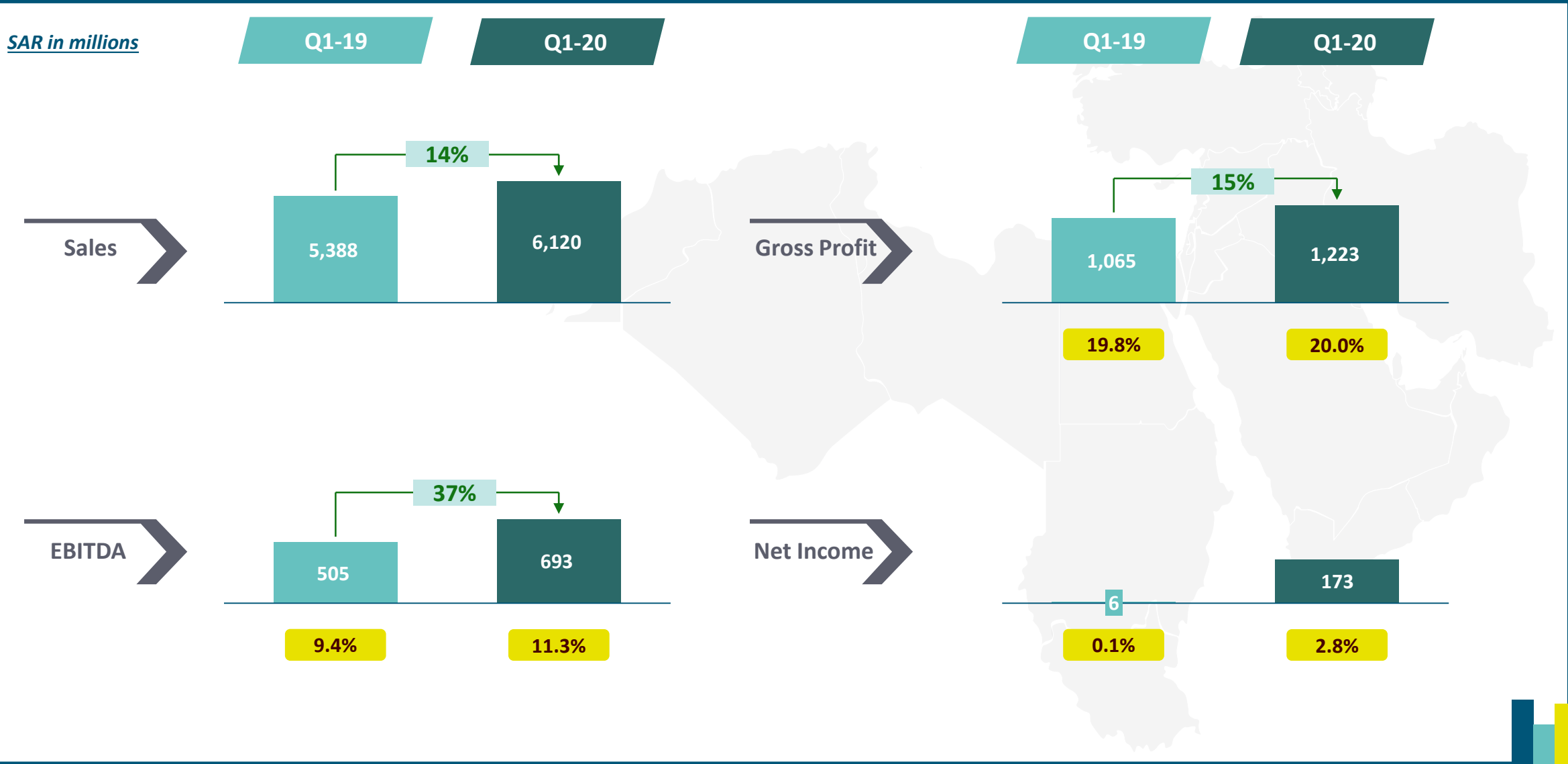
- Q1 2020 Revenue of SAR 191.8 mn (Q1 2019: SAR 128.9 mn)
- Q1 2020 Net Income of SAR 20.2 mn (Q1 2019: SAR 18.0 mn)

### INVESTMENTS

- Share of Almarai Net Income of SAR 132.2 mn in Q1 2020 (Q1 2019: SAR 116.0 mn)

# GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



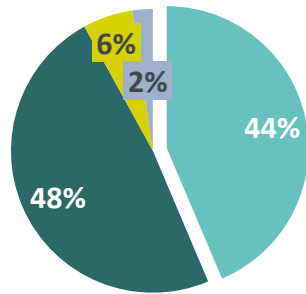
Note: numbers are rounded

## GROUP – REVENUE MIX, NET DEBT & CAPEX

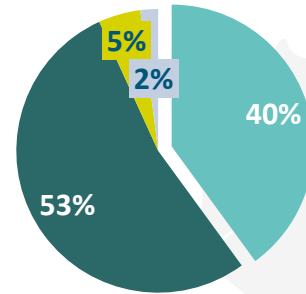
*SAR in millions*

### Revenue by Business

Q1-19



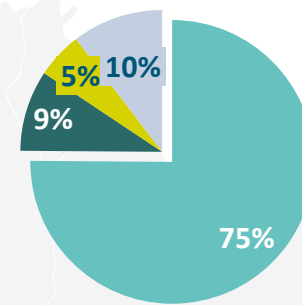
Q1-20



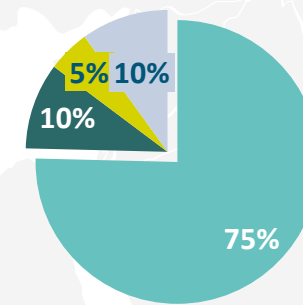
Food Processing Retail Food Services Frozen Food

### Revenue by Geography

Q1-19



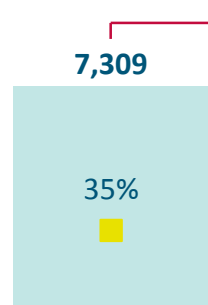
Q1-20



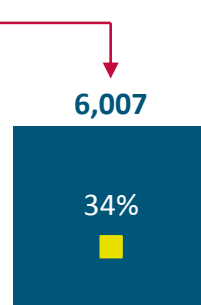
KSA Egypt Central Asia Others

### Net Debt and Net Debt to Liquid Assets (%)\*

Q1-19



Q1-20

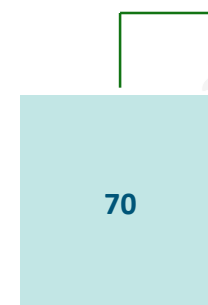


Net Debt to Liquid Assets (%)  
Net Debt

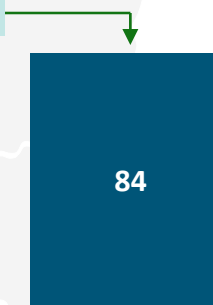
-18%

### CAPEX

Q1-19



Q1-20

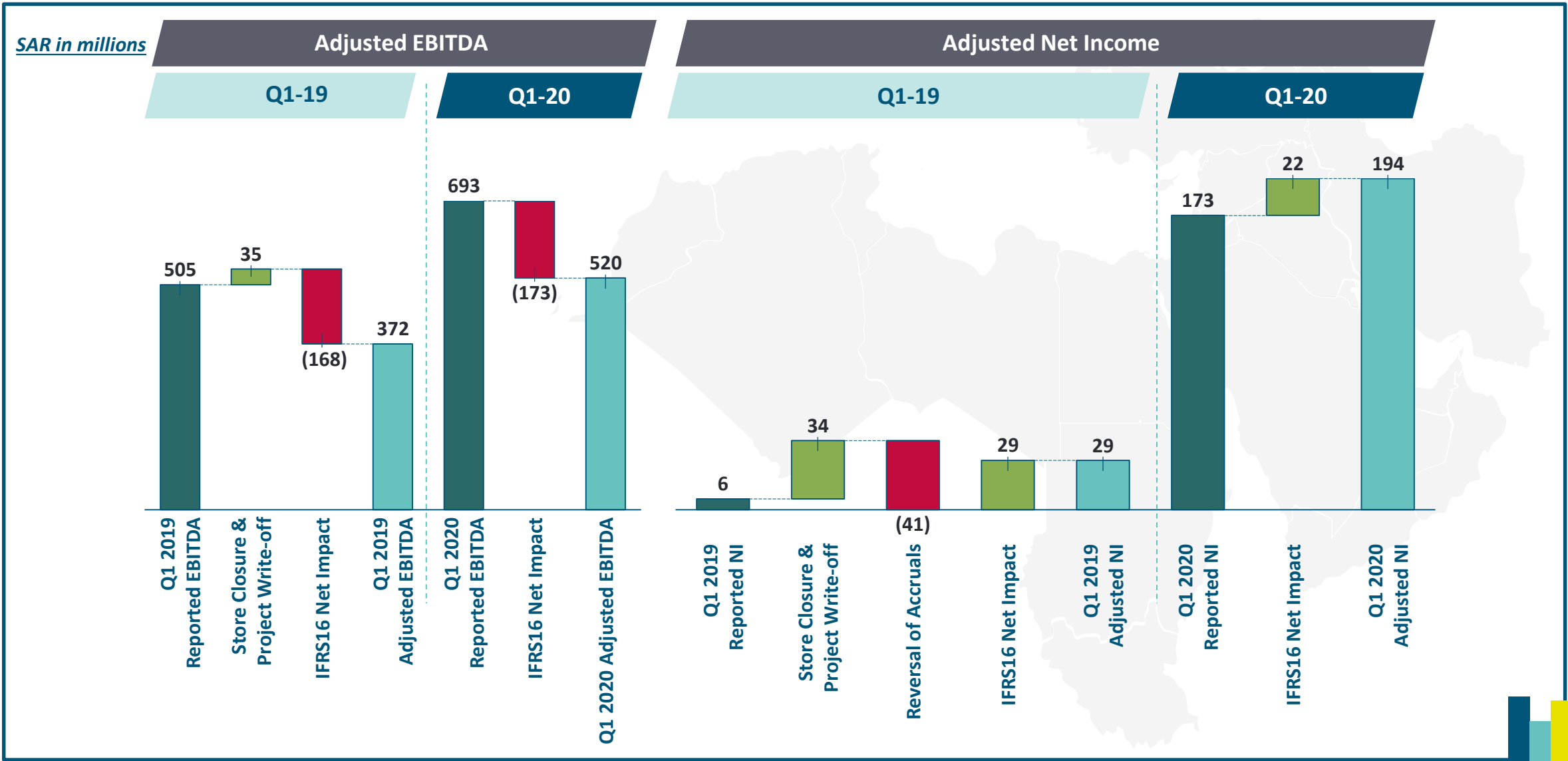


20%

\*Net debt excludes lease liabilities, liquid assets refers to the market value of Savola Group's investment in Almarai and Herfy.

Note: Numbers are rounded

# IMPLICATIONS OF EXCEPTIONAL ITEMS

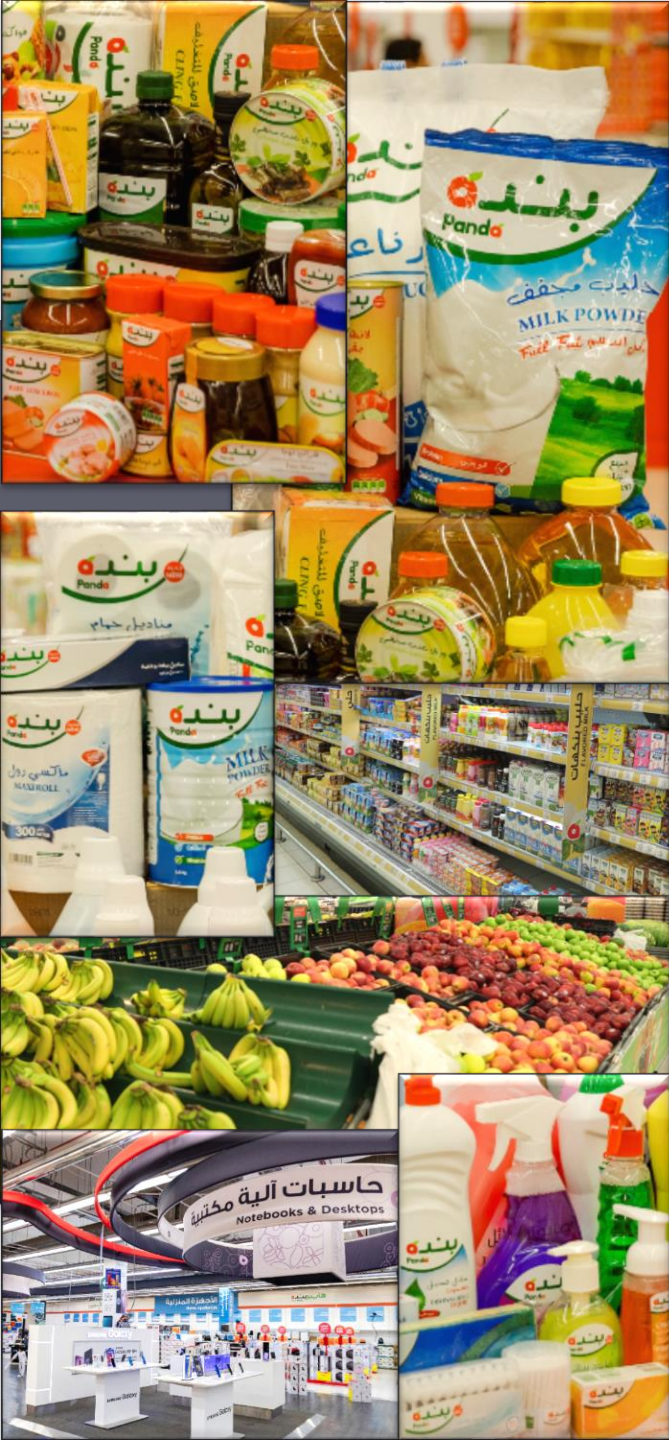


Note: Numbers are rounded



# PANDA RETAIL COMPANY

Q1 2020





# RETAIL - HIGHLIGHTS

## Key Highlights

- The performance of our retail business has significantly improved during the quarter,, with strong top-line growth driven by higher customer demand for groceries
- Panda launched its online channel, Pandaclick, through rebranding an existing platform and scaled it up using Panda's scale and breadth of operations

## Store Count

- Store count remained at 205 stores by end of Q1, including 4 stores in Egypt
- As part of our ongoing footprint optimization, we continue to evaluate our locations and sizes on a proactive basis and we have optimized the size of some existing stores

## Revenues

- Panda Retail recorded Revenues of SAR 3.3 bn in Q1 2020, an YoY growth of 23.4%; despite a ~6% YoY reduction in selling space vis-à-vis same quarter last year
- The growth is mainly driven by high like-for-like growth in customer count and basket size due to bulk buying observed in different grocery categories

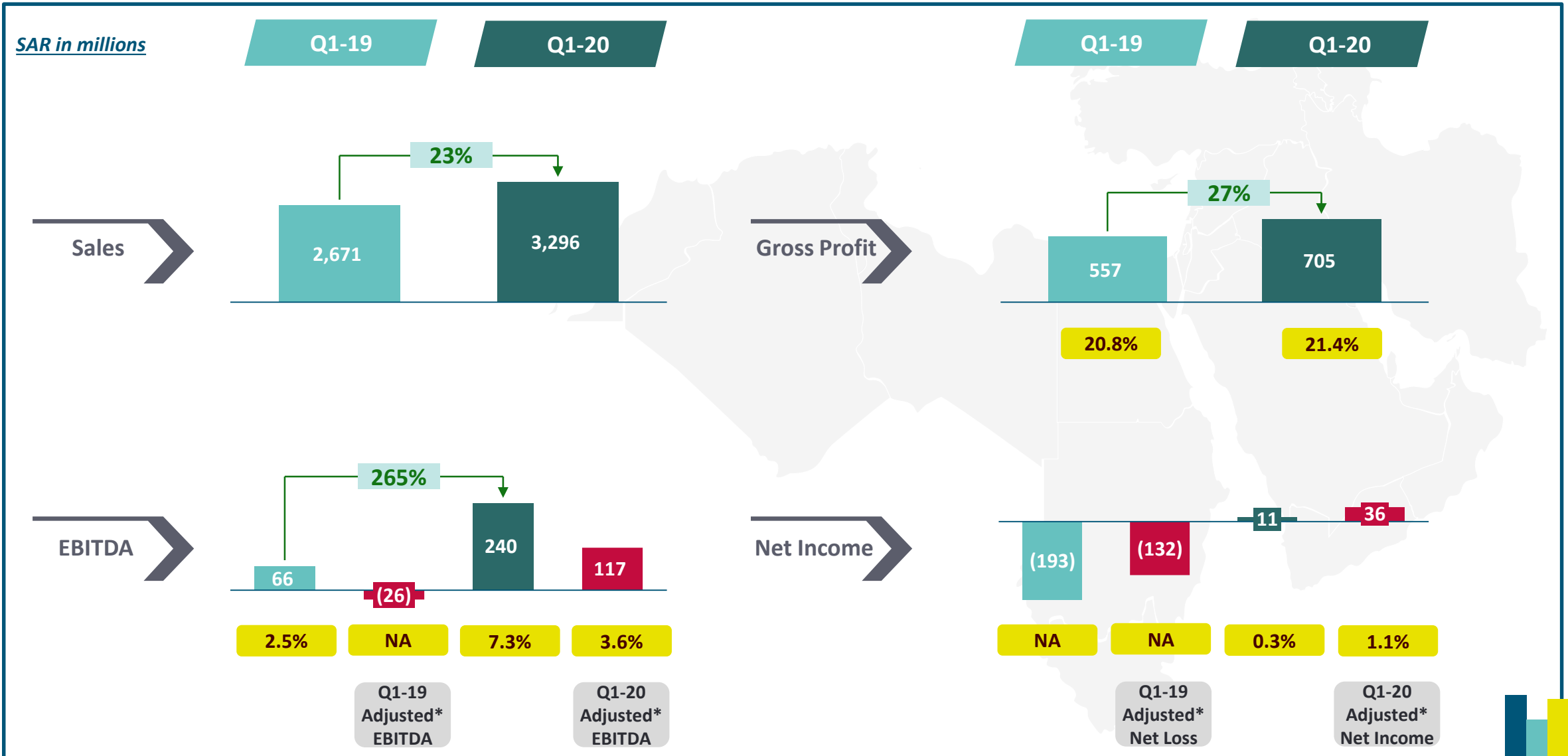
## Profitability

- In Q1 2020, Panda Retail reported EBITDA of SAR 240.5 mn
- Net income improved to SAR 10.8 mn driven by topline growth and improvement in gross margins



# RETAIL – FINANCIAL HIGHLIGHTS

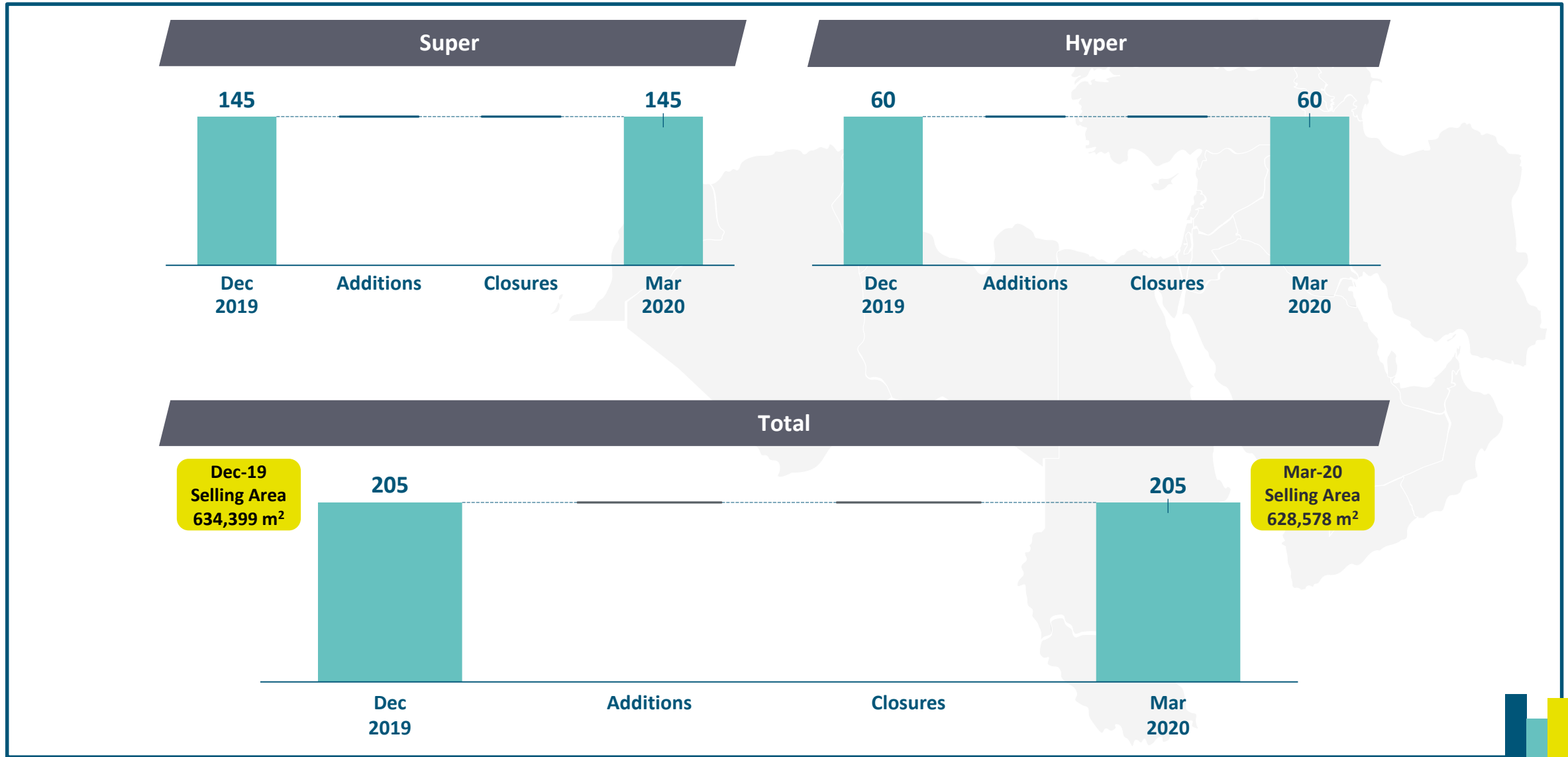
Margin



Note: numbers are rounded

\*Adjusted numbers include adjustments for IFRS16, store closures and project write offs

## RETAIL – NUMBER OF STORES BY QUARTER



Note: Decline in selling space during the period is driven by resizing a number of our existing stores

# SAVOLA FOODS COMPANY

Q1 2020



# FOODS - HIGHLIGHTS

## Key Highlights

- The performance of our foods segment, improved over last year, following increased demand for food staples including edible oils and pasta

## Volume

- Volume has increased by 9.8% to 888 KMT in Q1 2020, driven primarily by a >15% growth in edible oils and ~12% growth in pasta
- Sugar volumes increased by 2.5% to 346 KMT in Q1 2020

## Revenues

- Q1 2020 revenues are 2.8% higher than last year reaching SAR 2.5 bn primarily due to growth in edible oils and pasta by ~10% and ~17%, respectively
- Sugar revenues declined 13.6% compared to last year, mainly due to lower sugar prices

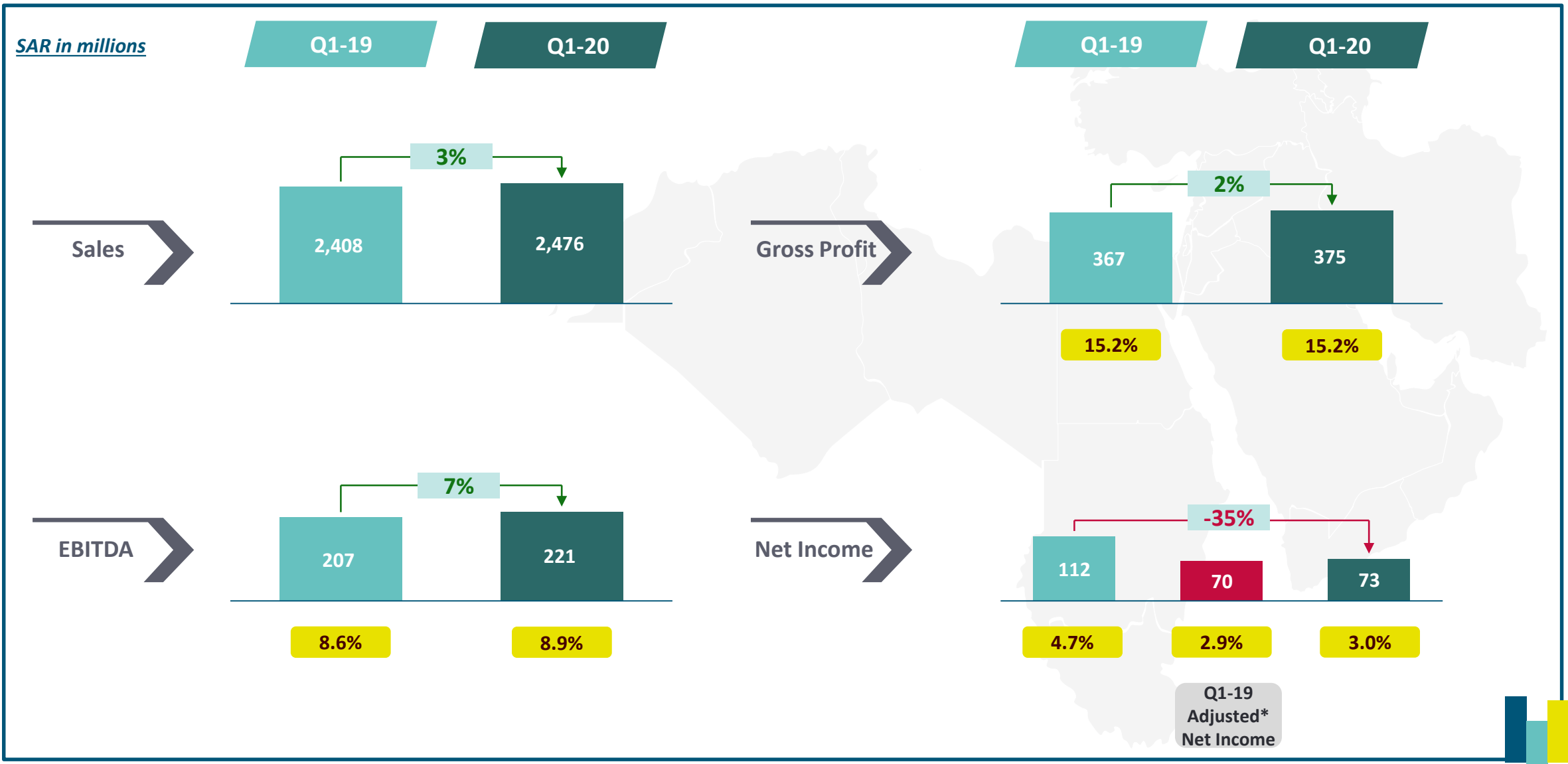
## Profitability

- EBITDA improved to SAR 220.7 mn in Q1 2020 compared to SAR 207.0 mn last year
- Q1 2020 Net Income is SAR 73.2 mn, compared to SAR 112.4 mn last year (including one-off of SAR >40 mn reversal of accruals last year)



# FOODS – FINANCIAL HIGHLIGHTS

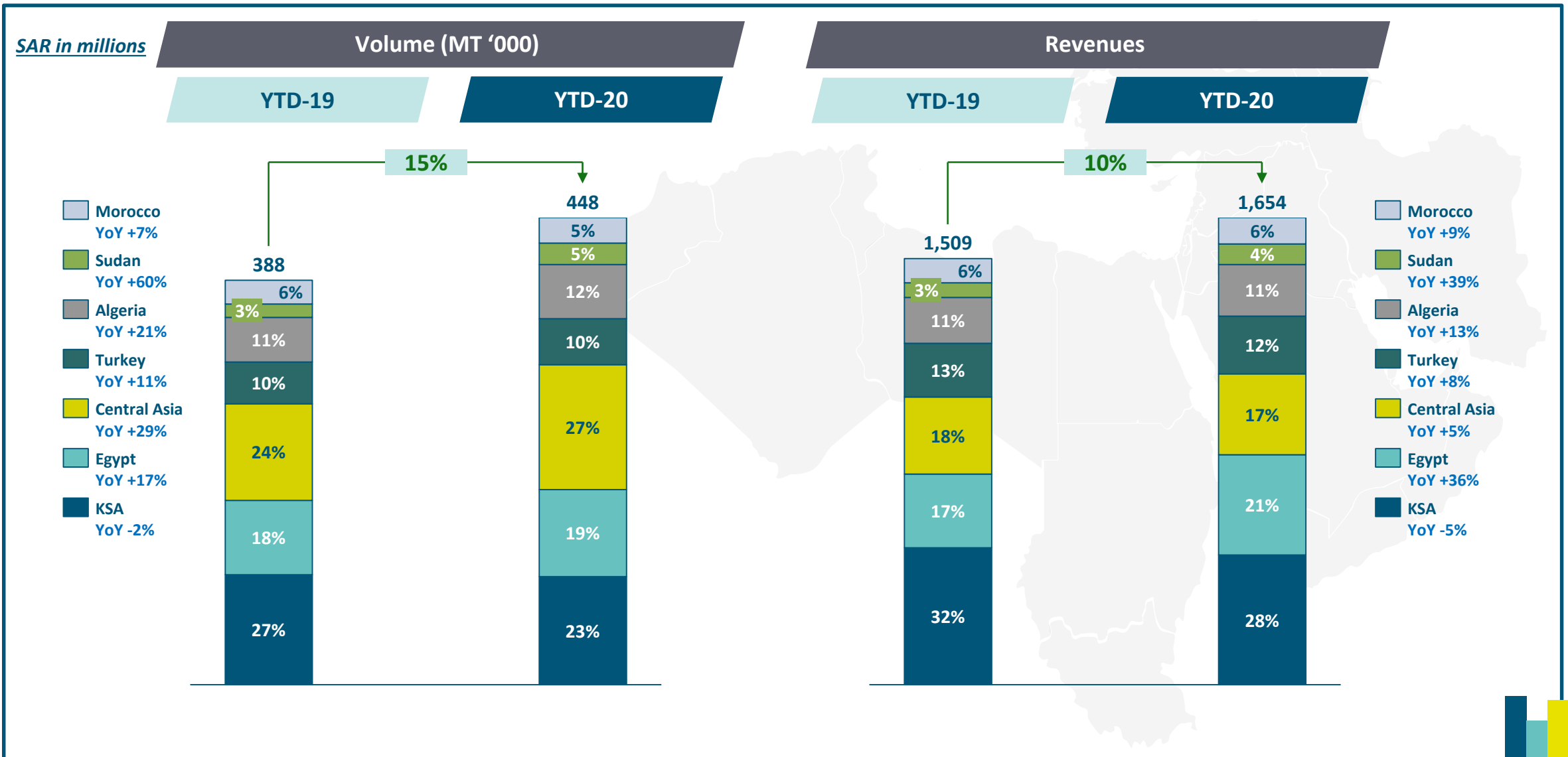
Margin



Note: numbers are rounded

\*2019 Adjusted numbers include adjustment for reversal of accruals

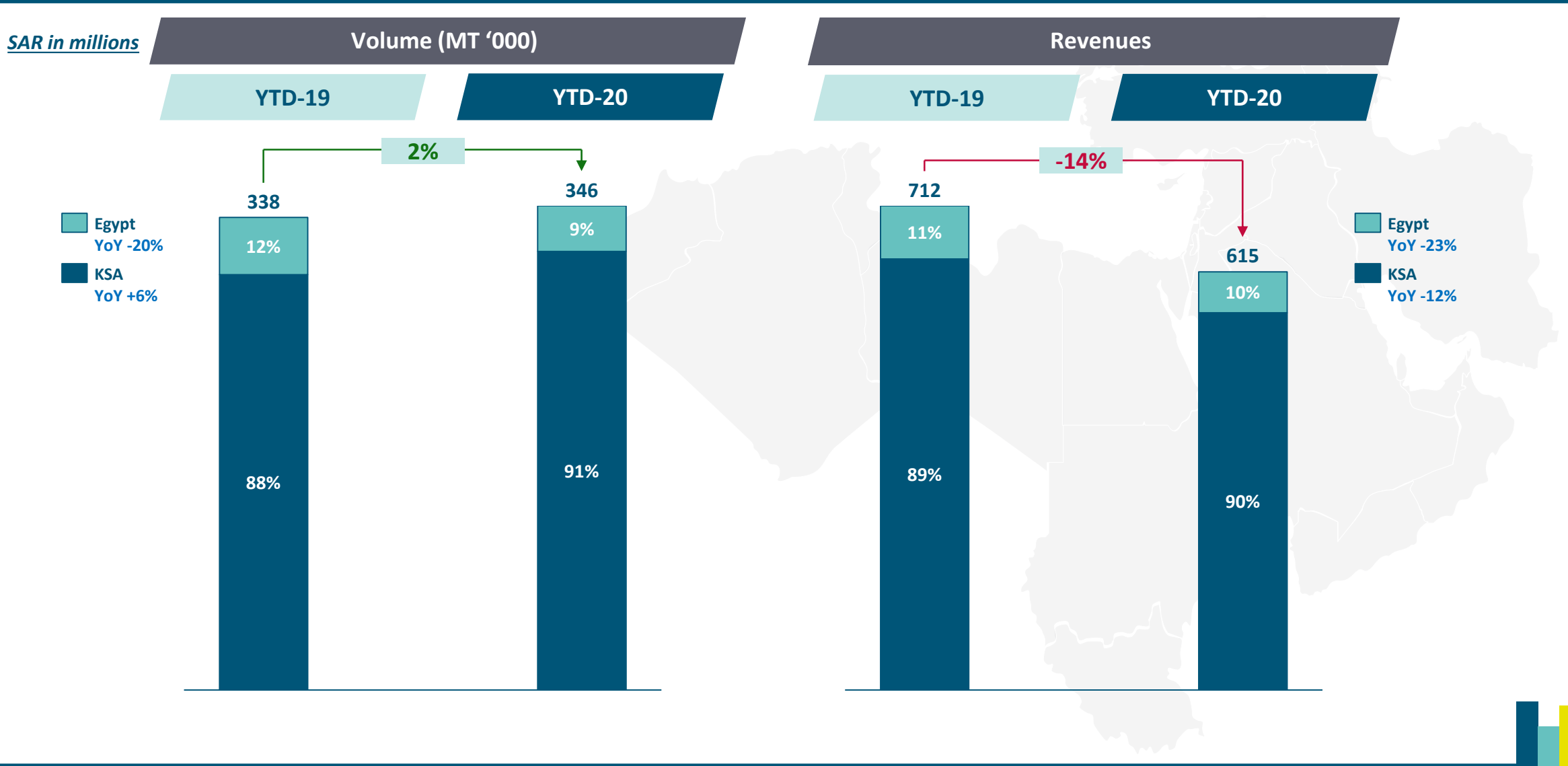
# FOODS – OIL SEGMENT ANALYSIS



Note: The above includes net distribution volume and excludes specialty fat business that used to be combined with the edible oil category and is now part of the emerging categories shown in slide 21



# FOODS – SUGAR SEGMENT ANALYSIS



Note: 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

# Al Kabeer

Q1 2020

# FROZEN FOOD - HIGHLIGHTS

## Key Highlights

- **Consumers increased demand for longer life products and food stocking behavior** due to lock down measures has positively contributed to our frozen food segment
- **Al Kabeer started the year with strong growth** driven by management efforts and growth in the category; the company witnessed significant growth in March

## Revenues

- **Revenues increased by ~49% reaching SAR 191.8 mn in Q1 2020 compared to SAR 128.9 mn last year**, largely driven by ~50.0% increase in Saudi Arabia, as well as, increases across the lower gulf during the quarter.

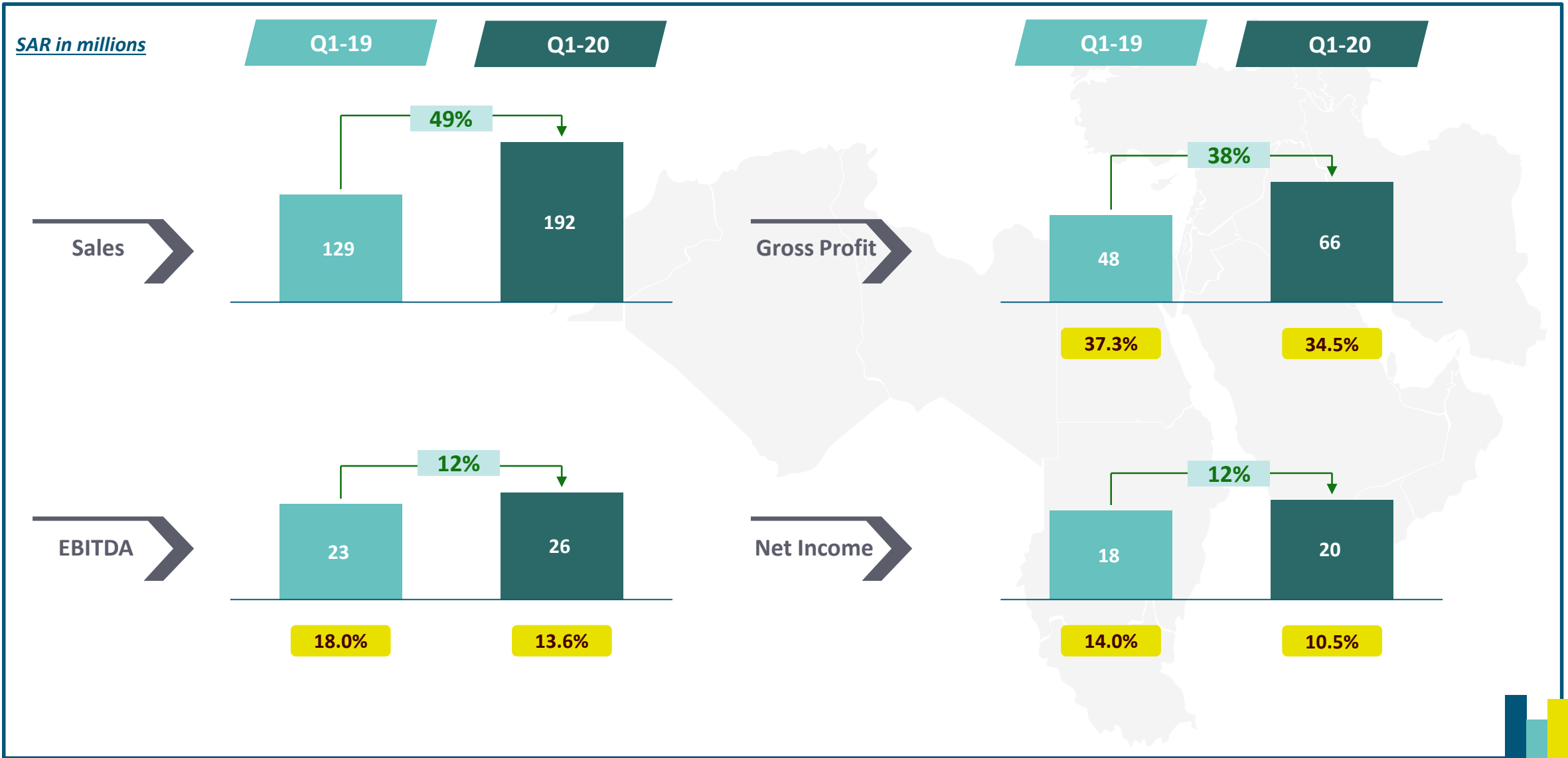
## Profitability

- **In Q1 2020, gross profits increased by ~37.5% compared to last year**, reaching SAR 66.2 mn from SAR 48.1 mn last year.
- **Q1 2020 EBITDA and net income were about ~ 12.0% higher than last year**, reaching SAR 26.1 mn and SAR 20.2 mn, respectively.
- **The decrease in margins were primarily driven by higher raw material prices, larger share of sales coming in from modern trade and an increase in operating expenses**



# FROZEN FOOD – AL KABEER

Margin



Note: numbers are rounded



## FINANCIAL SUMMARY



# FINANCIALS – Q1 2020

(all figures are in SAR millions)

## Segment Wise Financials

	YTD March 2020					YTD March 2019				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
<b>Food*</b>										
Oil-Mature Markets	1,305	242	126	78	146	1,209	226	96	95	118
Oil-Start-up Markets**	349	34	15	8	18	300	33	19	11	22
Total Oil	1,654	276	141	86	165	1,509	259	115	107	140
Sugar	615	67	21	(12)	41	712	92	42	17	62
Pasta	155	29	10	6	14	132	14	2	(2)	6
Emerging Categories***	51	3	(4)	(6)	1	55	2	(5)	(9)	(1)
<b>Total Foods</b>	<b>2,476</b>	<b>375</b>	<b>168</b>	<b>73</b>	<b>221</b>	<b>2,408</b>	<b>367</b>	<b>154</b>	<b>112</b>	<b>207</b>
<b>Retail</b>										
KSA	3,267	700	72	14	239	2,650	553	(124)	(191)	65
Egypt	29	5	(3)	(3)	2	21	4	(3)	(2)	0
<b>Total Retail</b>	<b>3,296</b>	<b>705</b>	<b>69</b>	<b>11</b>	<b>240</b>	<b>2,671</b>	<b>557</b>	<b>(128)</b>	<b>(193)</b>	<b>66</b>
Herfy	297	77	35	25	78	313	94	59	48	99
Frozen Food	192	66	21	20	26	129	48	20	18	23
Real Estate	-	-	3	3	3	-	-	4	4	4
Al Marai-Savola Share	-	-	132	132	132	-	-	116	116	116
HQ/Elimination/Impairments	(140)	(0)	(20)	(92)	(8)	(133)	(0)	(20)	(99)	(10)
<b>Total</b>	<b>6,120</b>	<b>1,223</b>	<b>408</b>	<b>173</b>	<b>693</b>	<b>5,388</b>	<b>1,065</b>	<b>206</b>	<b>6</b>	<b>505</b>
<b>Adjustments</b>										
Store Closure and Project Write-off				-					34	
Reversals of Accrual				-					(41)	
Net Impact of IFRS16				22					29	
<b>Adjusted Profit</b>				<b>194</b>					<b>29</b>	

\* All the numbers are rounded for the purpose of presentation and have been represented under different categories

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

\*\*\* Includes specialty fats, seafood, croissant...etc.