

Savola Group

Earnings Presentation | YTD Q2 2021

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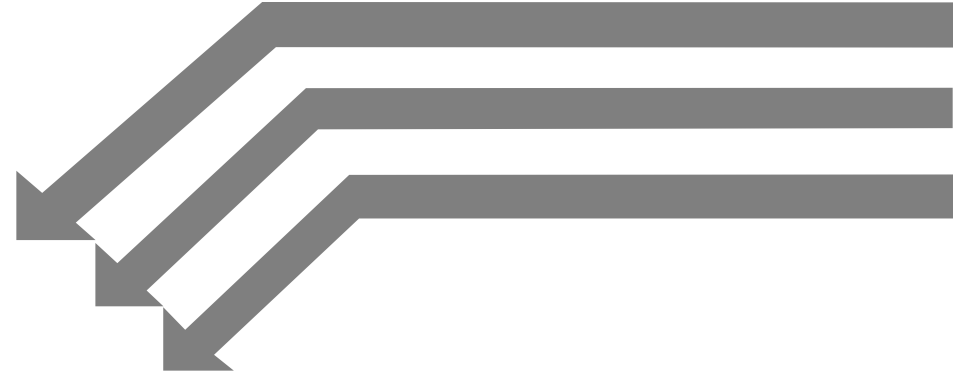
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1. Group Key Financial Highlights

2. Performance by Segment



GROUP - HIGHLIGHTS

Business Highlights

- **Savola Group's performance continued to show resilience on a consolidated basis, barring the exceptional nature and high-base of the comparative period.**
- In the foods segment, the strong performance continues largely driven by higher volumes and pricing across the edible oils' portfolio.
- In the retail segment, weaker sales compared to the high base of 2021, mainly due to the absence of pantry loading, a weaker consumer base and lower purchasing power.
- The food services segment witnessed recovery in both revenues and profitability.

Revenues

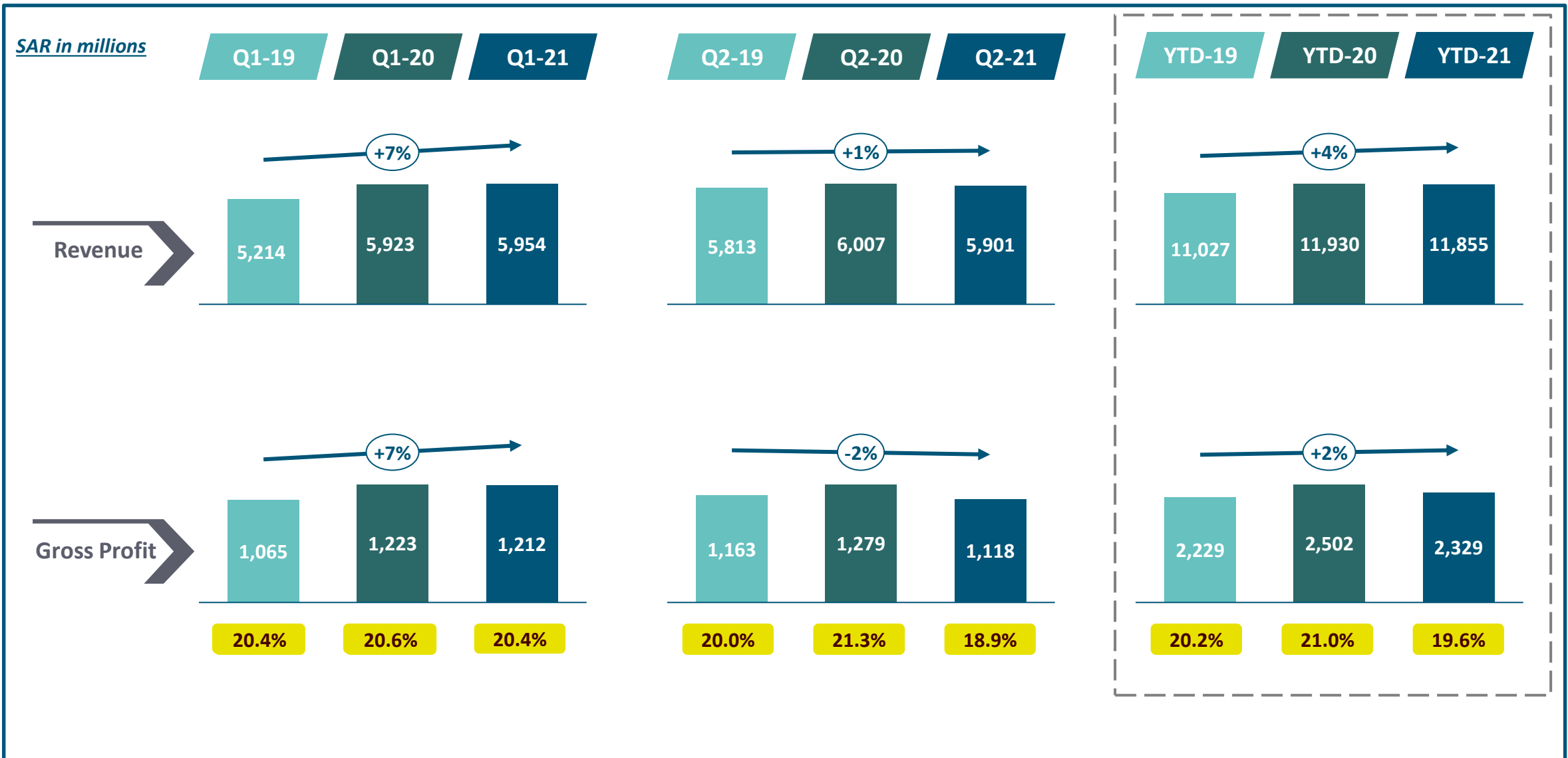
- **Savola Group reported top-line during the YTD June 2021 period is largely inline with last year, however, with differences in the performance of the segments.**
- The Foods segment grew by about 18% in revenues led mainly by growth in volumes and pricing in the edible oils, supported partially by the recovery of the B2B channel.
- The Retail segment reported a 15% decrease mainly due to lower basket size.

Profitability

- **Gross profit reached SAR 2.3 billion with a margin of around 20%;** below the high-base of performance of 2020 and largely driven by our retail segment.
- **The Group recorded EBTIDA of SAR 1.3 billion with a margin of 11%.**
- **Net Income reached SAR 354 million compared to SAR 582 million last year;** the decline is primarily attributed to the performance of the retail segment.

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

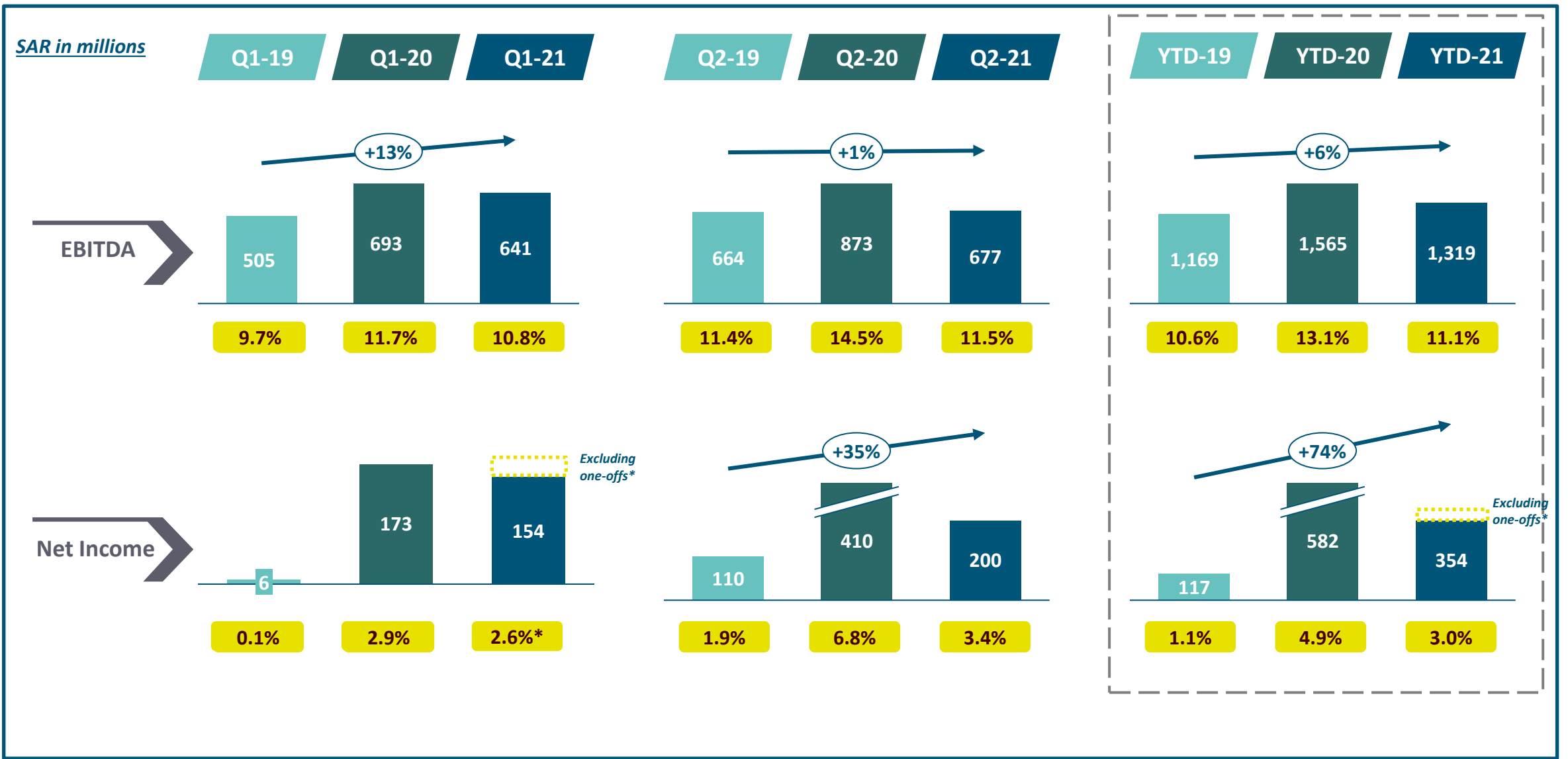
Margin



Note: numbers are rounded

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

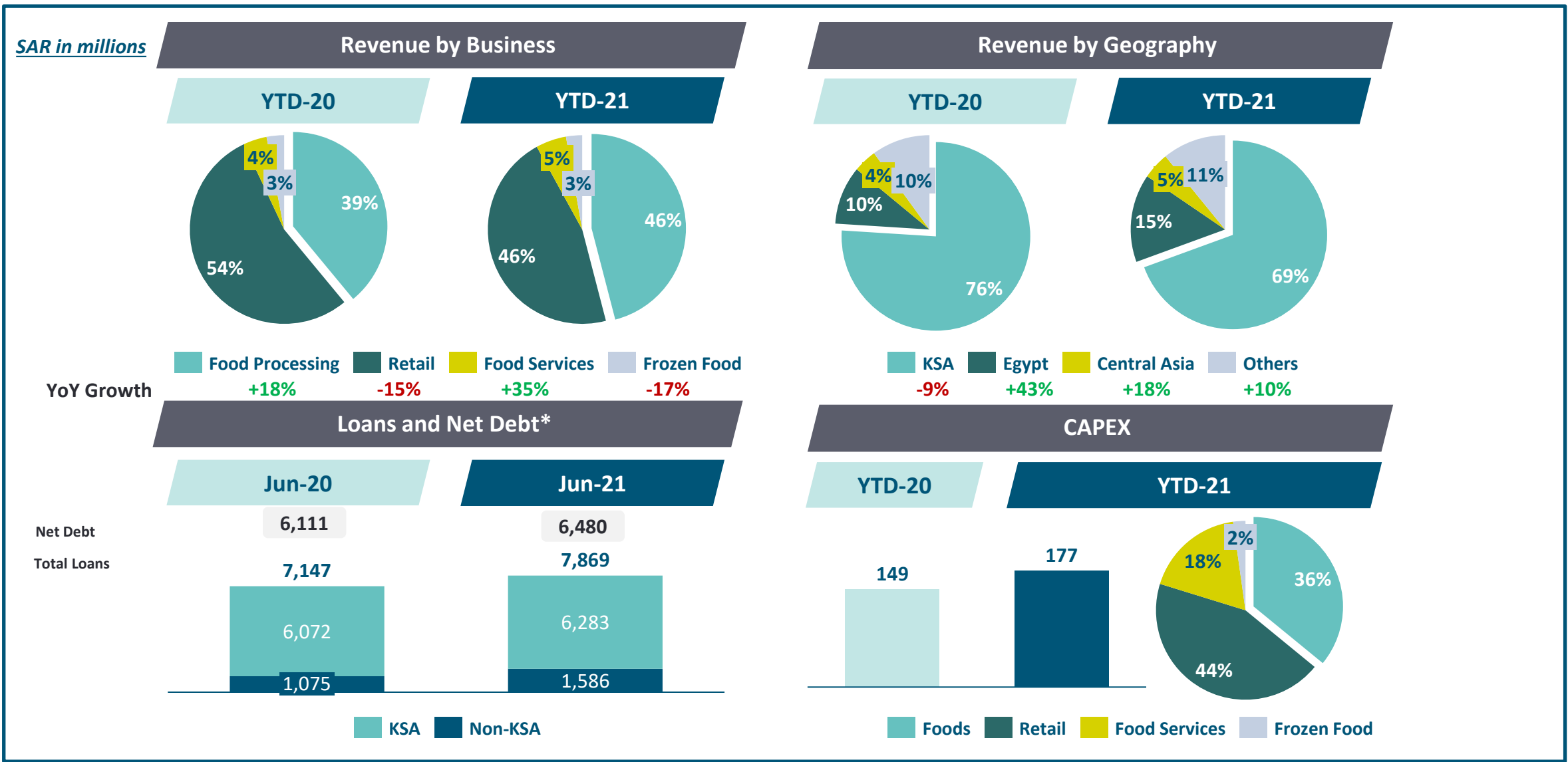
Margin



*In Q1 2021, Savola Foods provisioned SAR 23 million in emerging markets

Note: numbers are rounded

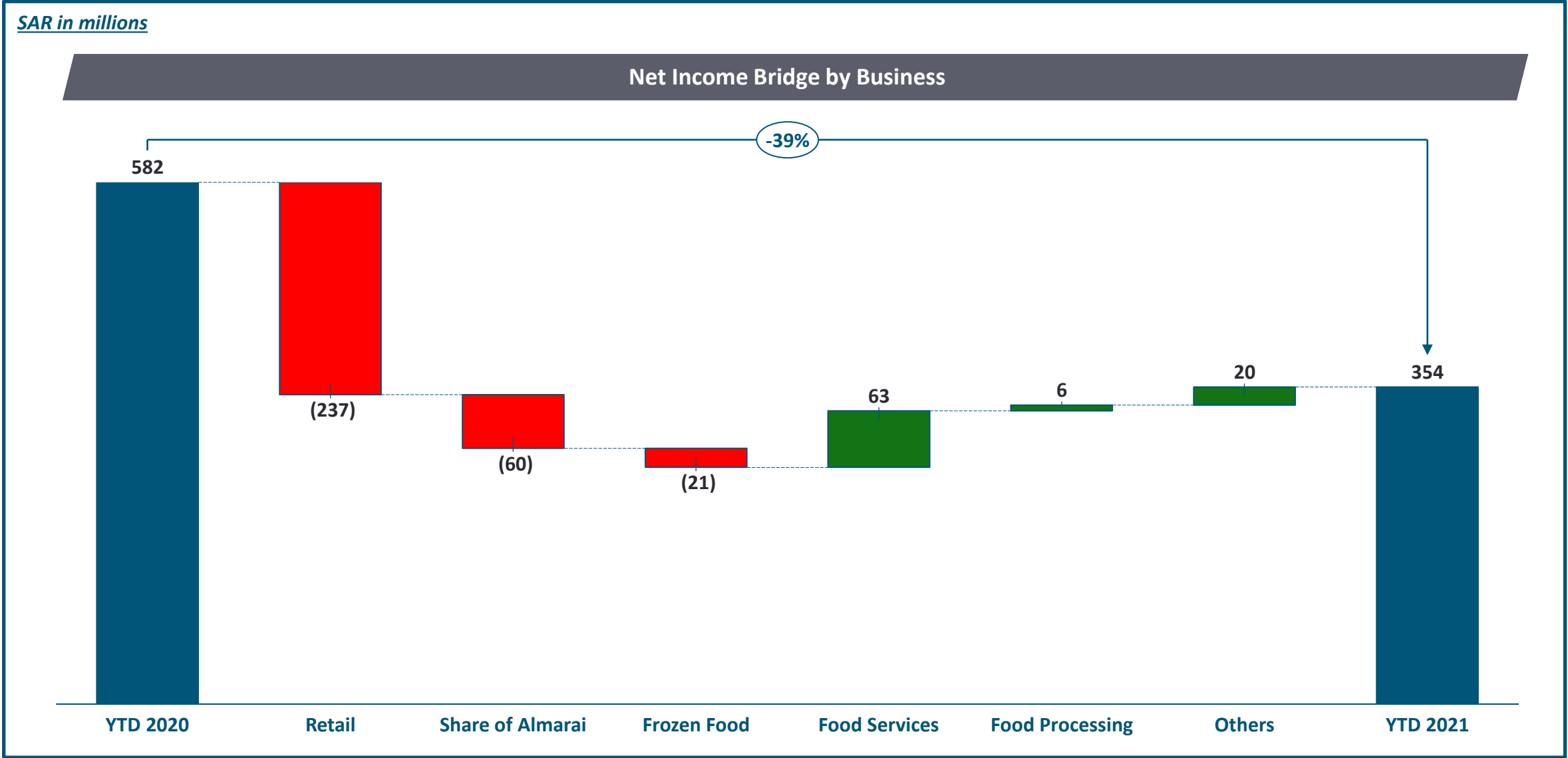
GROUP – REVENUE MIX, NET DEBT & CAPEX



*Net debt excludes lease liabilities

Note: numbers are rounded

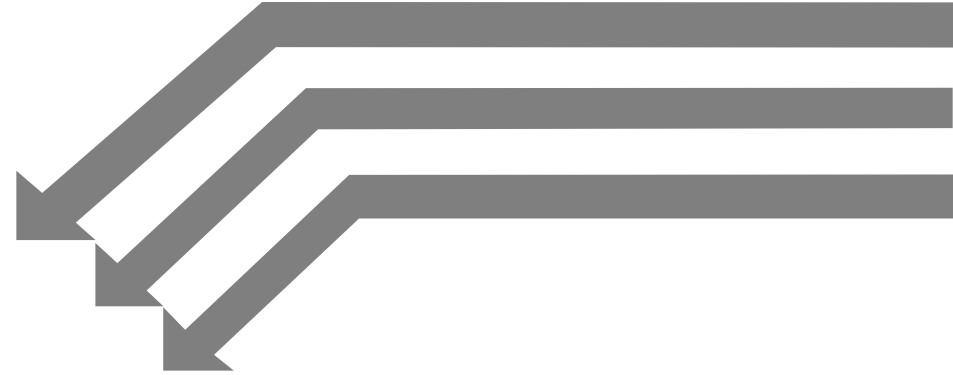
GROUP – YTD Q2 Net Income Bridge



Note: numbers are rounded

1. Group Key Financial Highlights

2. Performance by Segment



Panda Retail Company



RETAIL - HIGHLIGHTS

Key Highlights

- The retail segment's performance experienced relative weakness, mainly attributed to the high base of last year, a weaker consumer base and lower purchasing power.

Store Count

- Store count maintained at 205 stores, including 4 stores in Egypt.

Revenues

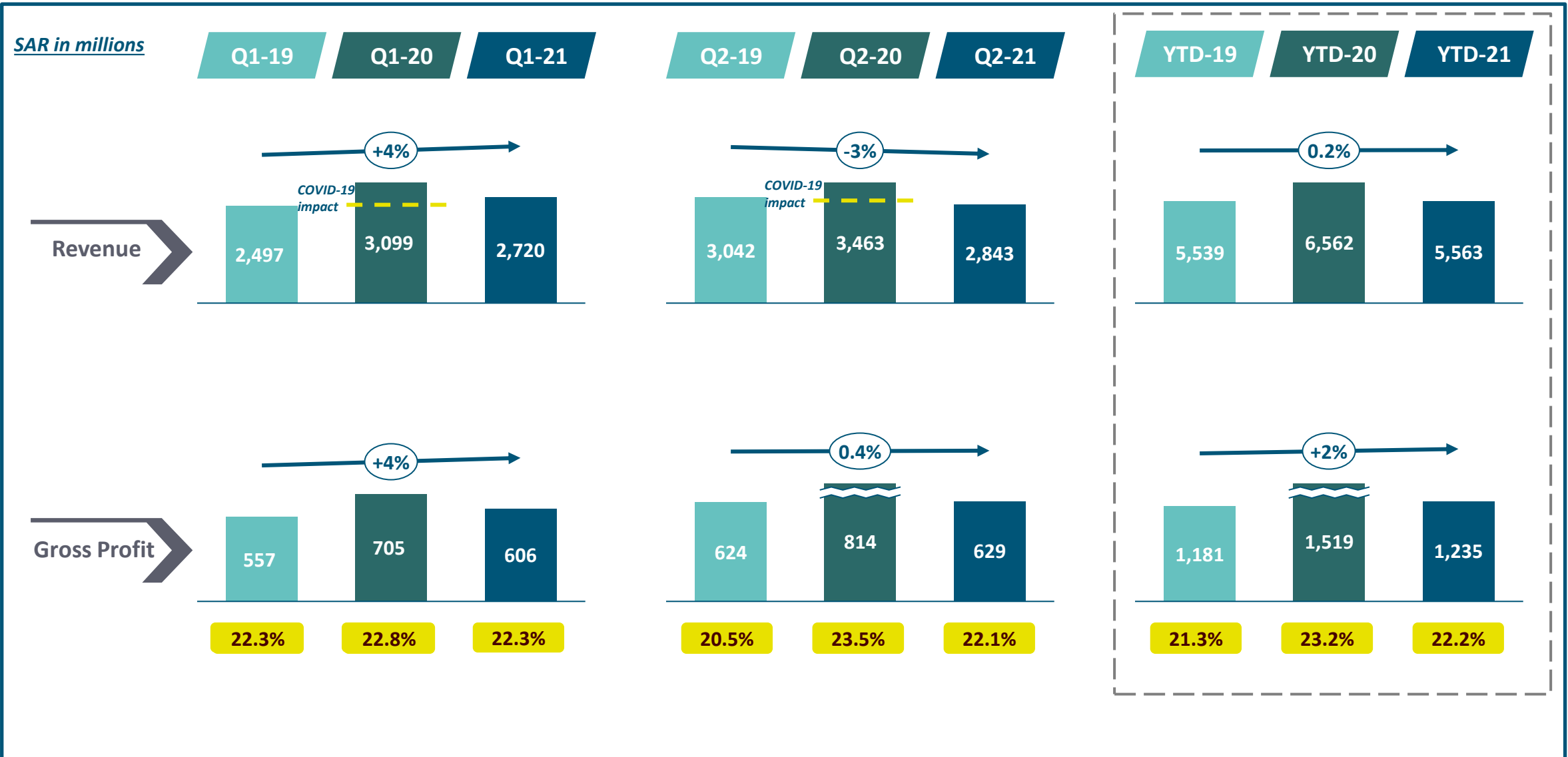
- The segment recorded revenues of SAR 5.6 bn in the YTD period, 15% lower than last year, given the high base. Revenues are largely in-line with 2019 levels.
- The decrease was primary driven by a lower basket size compared to last year.

Profitability

- The segment reported a gross margin of about 22% in the YTD period, lower than last year but margins remain higher than 2019 levels.
- Reported EBITDA of SAR 340 million in the current period, compared to SAR 618 million last year; the decrease is mainly driven by the lower gross profit.

RETAIL – FINANCIAL HIGHLIGHTS

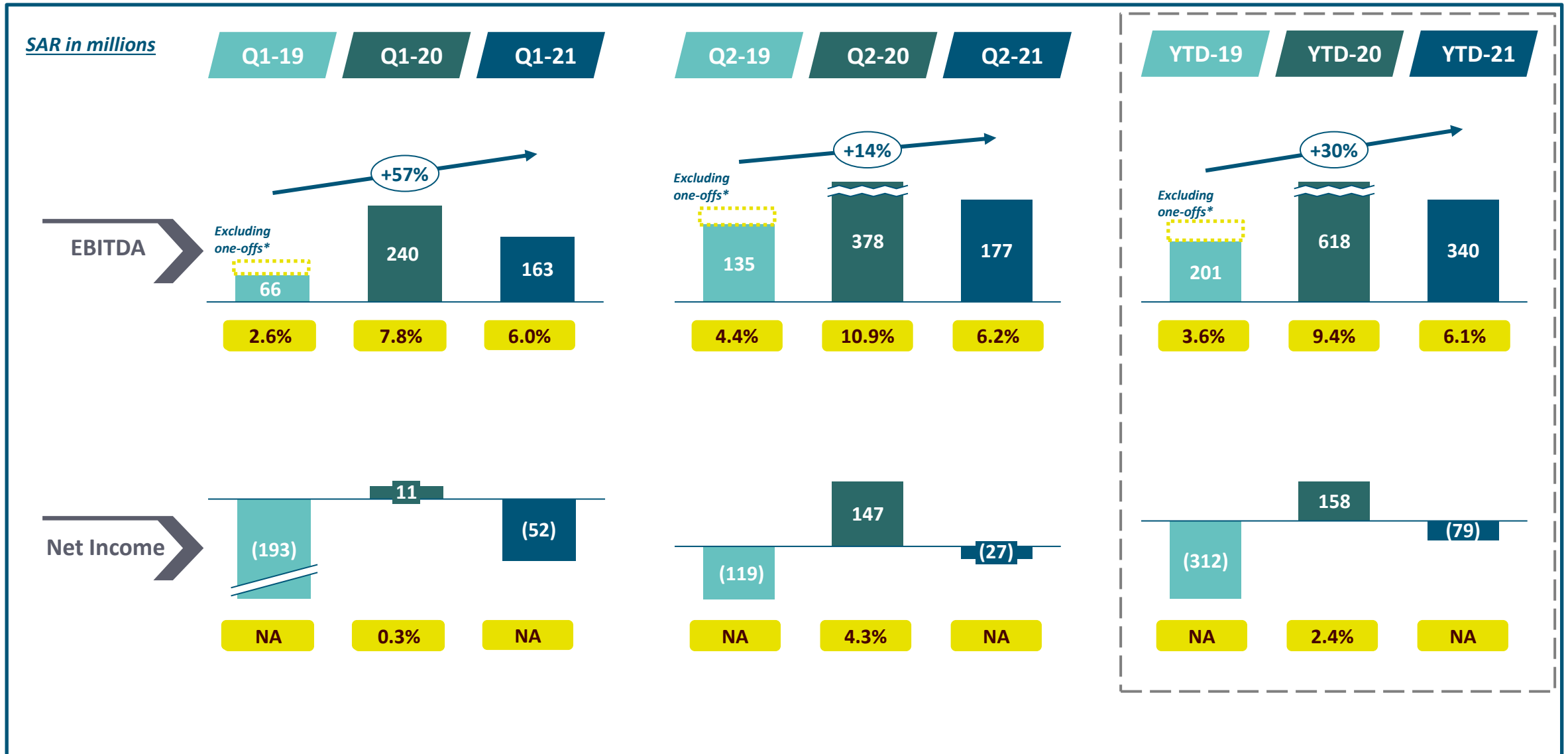
Margin



Note: numbers are rounded

RETAIL – FINANCIAL HIGHLIGHTS

Margin



*2019 include a one-off store closure costs of SAR 35 million for Q1 and SAR 30 million for Q2 (SAR 65 million for YTD period)

RETAIL – NUMBER OF STORES



Savola Foods Company

Key Highlights

- The performance of our foods segment continued to fair well in the face of higher commodity prices, softer consumer environment, and overseas challenges.

Volume

- **Volumes increased by about 5% compared to last year, mainly driven by an increase of 9.5% in edible oils that was largely due to higher volumes in Saudi Arabia and Egypt.**
- Sugar volumes showed a marginal increase of 1% driven by Egypt; while Pasta volumes declined by 8% compared to last year.

Revenues

- **Revenues increased by about 18% compared to last year, primarily driven by higher volumes and product prices in the edible oils category.**
- The performance was partially supported by recovery in the B2B segment.

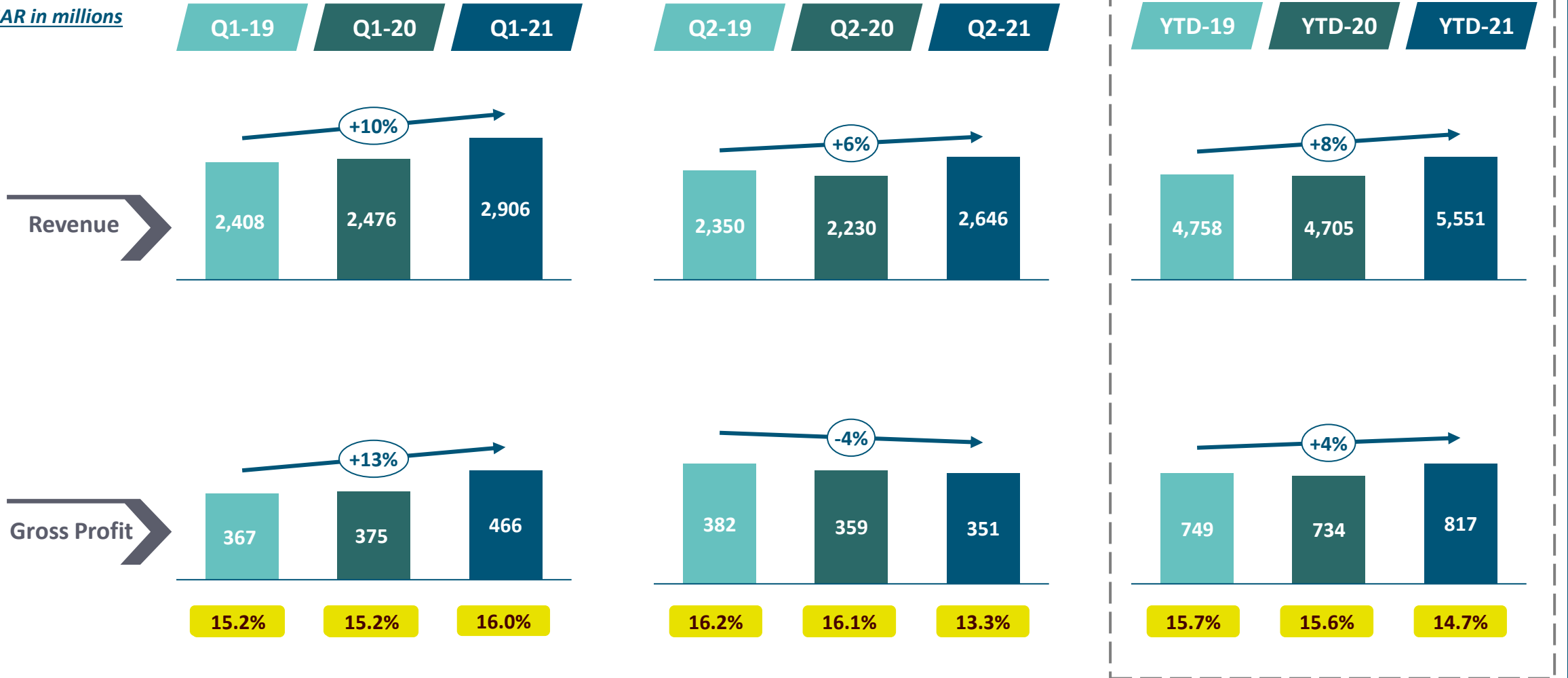
Profitability

- **Gross profit reached SAR 817 million in the YTD period; an increase of about 11% compared to last year despite a reduction in percentage margins.**
- EBITDA improved to SAR 500 million in the YTD period, ~12% higher than last year.
- Reported net income of SAR 186 million in the YTD period, in-line with last year.

FOODS – FINANCIAL HIGHLIGHTS

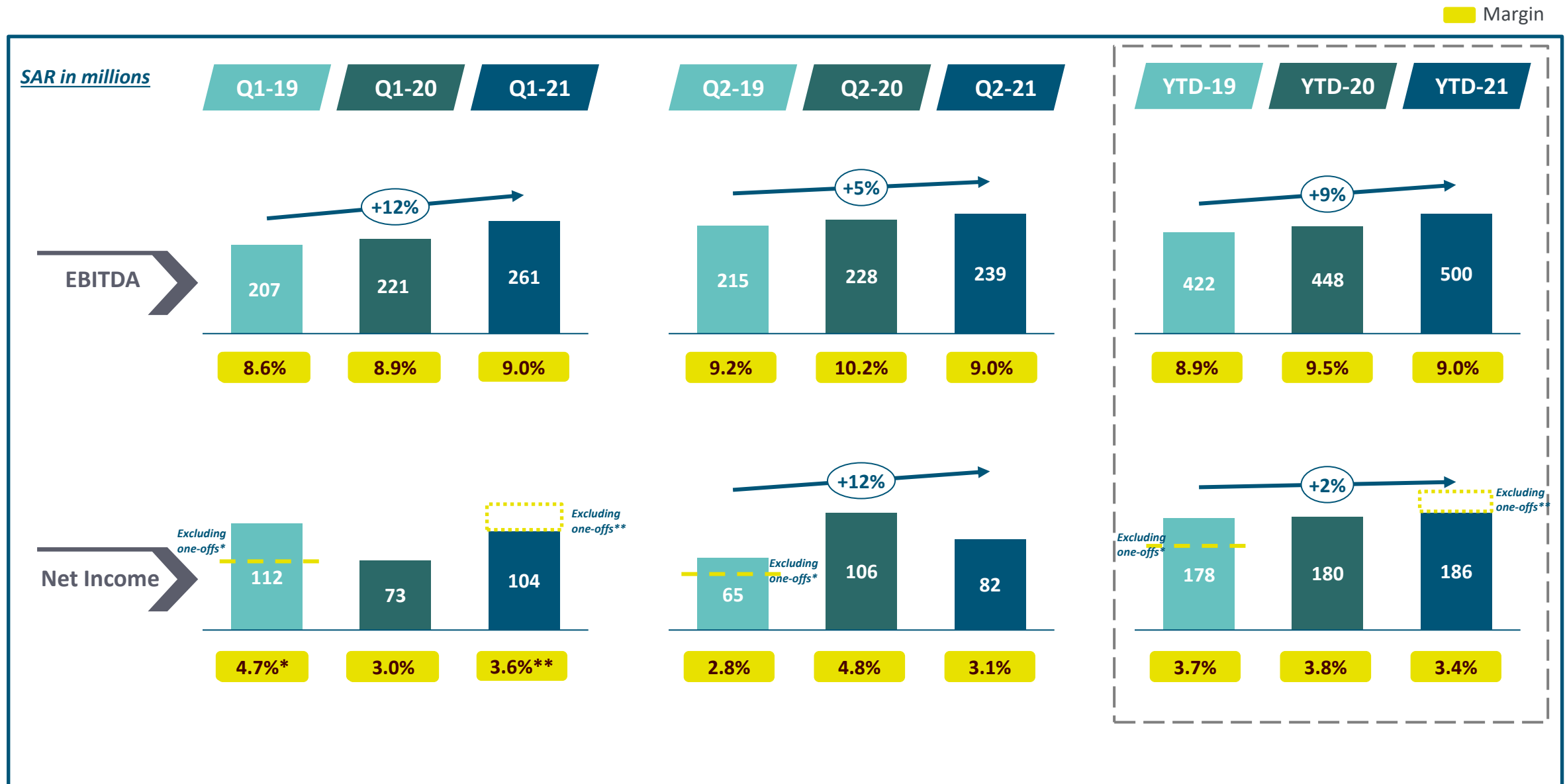
Margin

SAR in millions

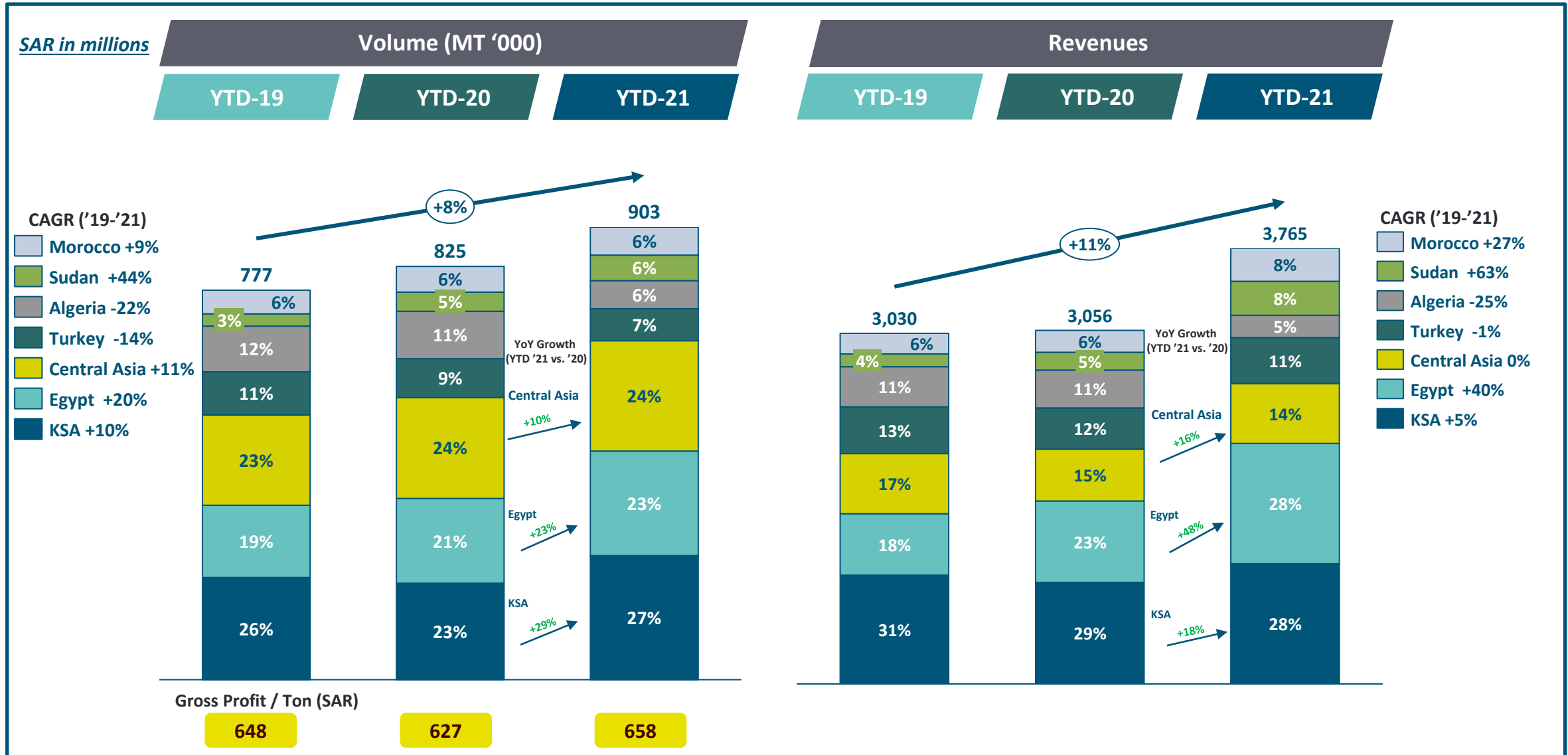


Note: numbers are rounded

FOODS – FINANCIAL HIGHLIGHTS

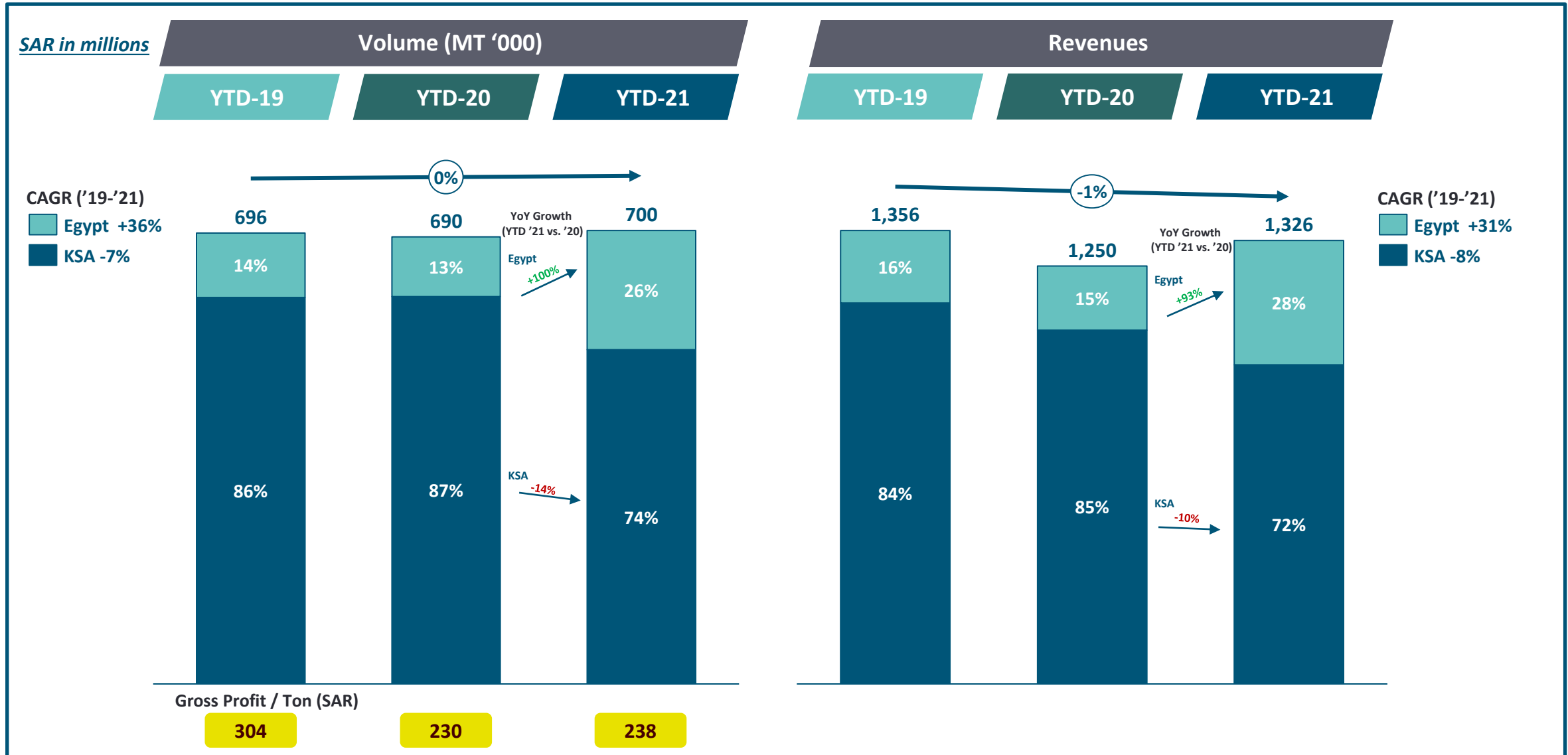


FOODS – OIL SEGMENT ANALYSIS



Note: numbers might not add up to 100% due to rounding

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

Note: numbers might not add up to 100% due to rounding

Recap of Savola Foods Strategy

- Health, convenience, and youth driven trends are the fastest-growing and future focus segments in our markets
- Savola Foods has activated its strategy to enter large and established categories with attractive prospects via M&A

1) Anchor

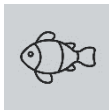
- Growing today's businesses via focused line extensions



Edible oils
focusing on olive oil



Pasta & couscous
youth's main source of carbs



Seafood
ambient | ready-to-eat

- ✓ **Expand existing brands**, expand into new formats and occasions
- ✓ **Develop line extensions**, health and wellness focus, functional benefits, sustainable packaging

2) Disrupt

- Capitalize mainly on increasing Foodservice spend due to secular trends driving shift to convenience



Product Line Expansion



Geographical Expansion



Digital presence e-commerce

3) Conquer

- Entering large, established categories in the region and disrupt them by targeting health, convenience and youth via new product lines and innovative / targeted branding

Prioritized categories



Chocolate confectionery
(healthy & artisanal)



Packaged cakes/pastries
(nutritional and on-the-go)



Sweet biscuits
(replace breakfast)



Savory snacks
(fourth meal opportunity)



Herbs & spices
(youth love for flavors)

Indicative Criteria

Size

Growth Potential

EBIT margin

Presence

- ✓ Alignment w/ trends
- ✓ Competitive position



4) Bet

- Placing VC investment on nascent, high-growth youth-focused categories



Snack Bars
(multiple snacks a day trend)



Alternative protein
(reduced meat consumption)



munchbox™
MUNCH BETTER

Consumption Drivers and Addressable Market

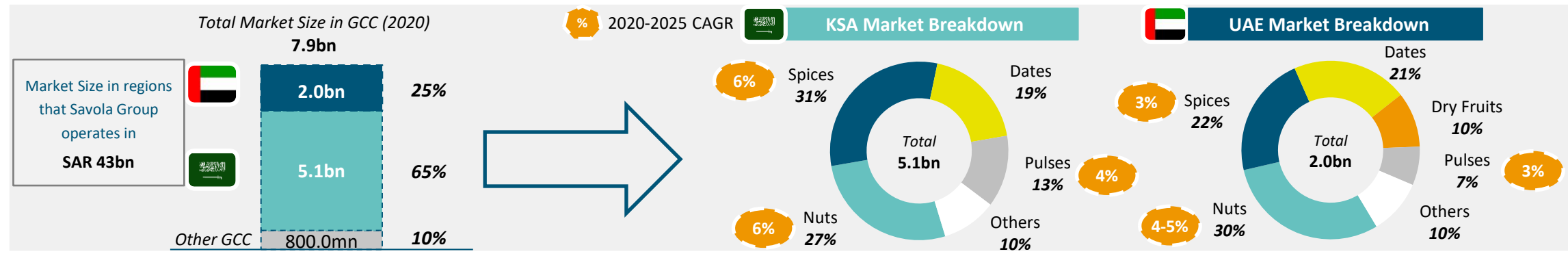
Consumer trends in the food categories

- Consumers are health conscious and 70% proactively try to eat healthy
- Consumers have a healthy consumption style and 80% try to moderate/ consume less calories
- 60% seek products with “natural” ingredients
- Consumers value convenience in packaging while travelling and 60-70% like easy to store, transport, reseal and preserve packaging
- 50% prefer to buy locally produced snacks from local neighborhood shops
- 70% consider items like veggie chips, ginger, agave syrup, honey, nuts, grains and yogurt as healthy











Key consumption drivers

- Food Consumption**
 - Attractive market due to population dynamics and other factors
 - Increased demand for packaged and differentiated products
 - Increased demand for ready-to-use products (e.g., spice recipes)
- Dietary Trends**
 - Dietary balance and preference towards fresh and local products
 - More responsible consumption and awareness of food wastage
 - Consumers’ value “all natural” ingredients, low fat and low sugar
- Pricing**
 - High degree of price awareness among consumers for routine purchases
 - Opting for higher-quality and added-value products; potential for consumer to trade-up across categories, including snacks
- Home Cooking**
 - Following Covid-related restrictions, consumers spend more time at home
 - Closure of restaurants leading to a push towards home cooking
 - Potential lasting impact on dine out trend across the region

Addressable market of nuts, spices and pulses (SAR bn)



Recent investment and M&A highlights

Company	Brief	Rational
<p>Conquer Entering large, established categories in the region and disrupt them by targeting health, convenience and youth via new product lines and innovative / targeted branding</p> 	<ul style="list-style-type: none"> • Savola Foods signed an SPA to acquire 100% of Bayara Holding for \$260 million; the transaction was announced on Tadawul in July 2021 • Established in 1992, in UAE, Bayara manufactures & sells healthy snacks (raw & roasted nuts, dates, seeds, dried fruits, confectionery) & cooking ingredients (herbs & spices, pulses) across 29 countries with focus on GCC 	<ul style="list-style-type: none">  Fragmented & growing categories The acquisition provides SFC a solid platform, to consolidate new categories that are fragmented and become one of the leading players in the health and snacks focused food products in the region  Significant market shares The brand has significant market shares and good positioning in the UAE market with on the ground presence in KSA to build on  Potential synergies Leveraging Savola Foods Company's GTM distributions, consumer knowledge, local operational know-how in KSA & Egypt and significantly grow in those markets  Platform to build upon Bayara Holding can become a platform across MENA region through leveraging SFC's manufacturing presence, brands, and export capabilities
<p>Bet Placing VC investment on nascent, high-growth youth-focused categories</p> 	<ul style="list-style-type: none"> • Established in 2014, in UAE, Munchbox manufactures and sells healthy snacks mainly in UAE. • Munchbox produces Keto, high protein, low carb, low calorie, and no sugar added boxes • Munchbox recently entered KSA market as part of its main growth plans 	<ul style="list-style-type: none">  Increasing demand for healthy and new sources of nutrition ~40% of KSA millennials look for low fat, low calorie or organic ingredients  Increasingly searching for convenient ways to eat ~55% growth expected in KSA online food delivery segment by 2023

Al Kabeer Group of Companies



FROZEN FOOD - HIGHLIGHTS

Key Highlights

- The frozen food segment witnessed a decline in 2021 as a result of high base of last year due to pantry loading, and challenges in the supply chain due to change in regulations and approval processes in Saudi Arabia.
- Frozen products were in high demand during curfew periods last year due to their long-lasting nature and as a replacement to restaurants and food away from home.

Revenues

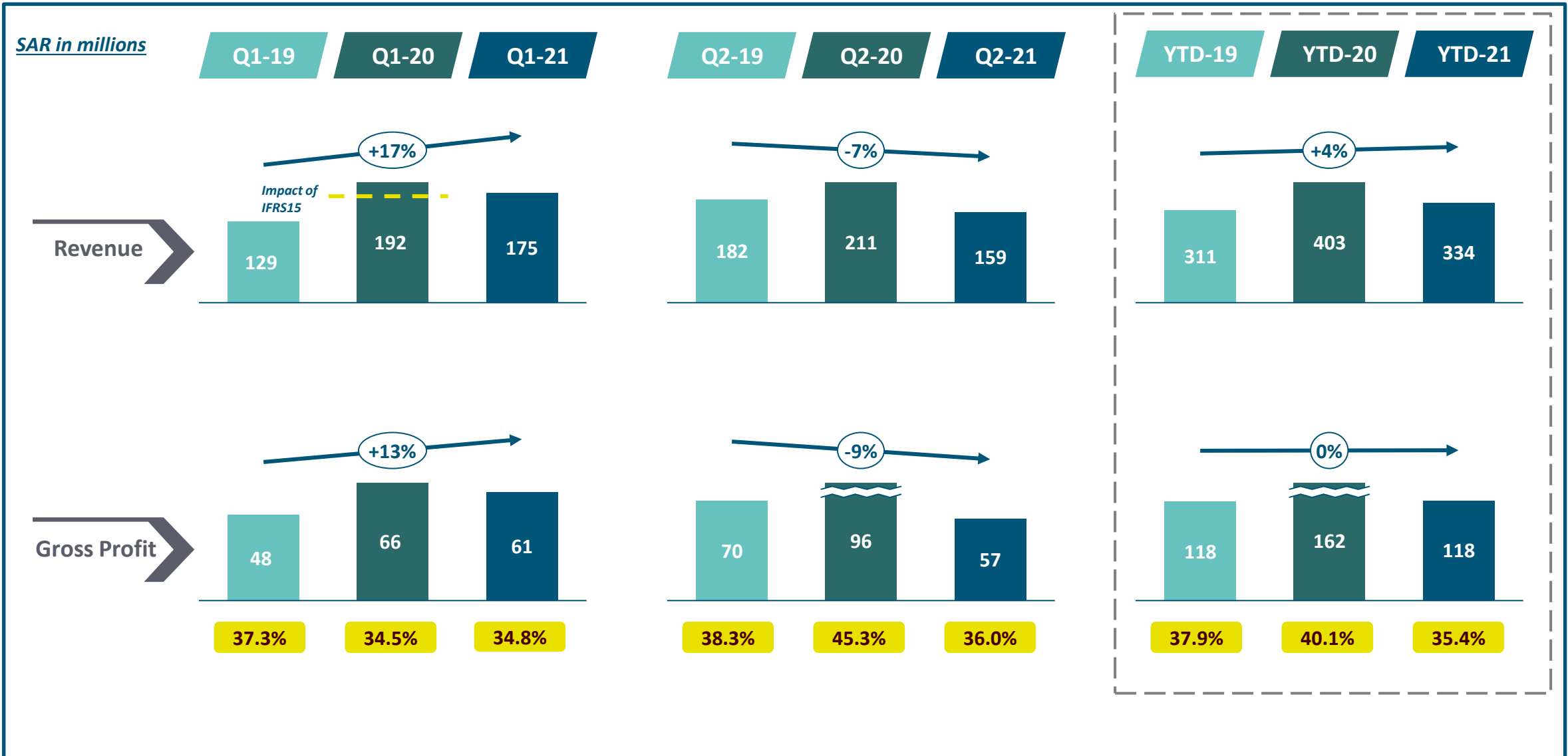
- Revenues decreased by about 17% in the YTD period compared to last year, remaining above the levels of 2019.
- The decrease was mainly due to lower sales in Saudi Arabia and selected countries in the lower gulf, compared to the high base of last year.

Profitability

- Gross profit reached SAR 118 million in the current period.
- Reported EBITDA reached SAR 56 million in the current period, with margins in the 17% range; while net income reached SAR 41 million with a 12% net margin.

FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

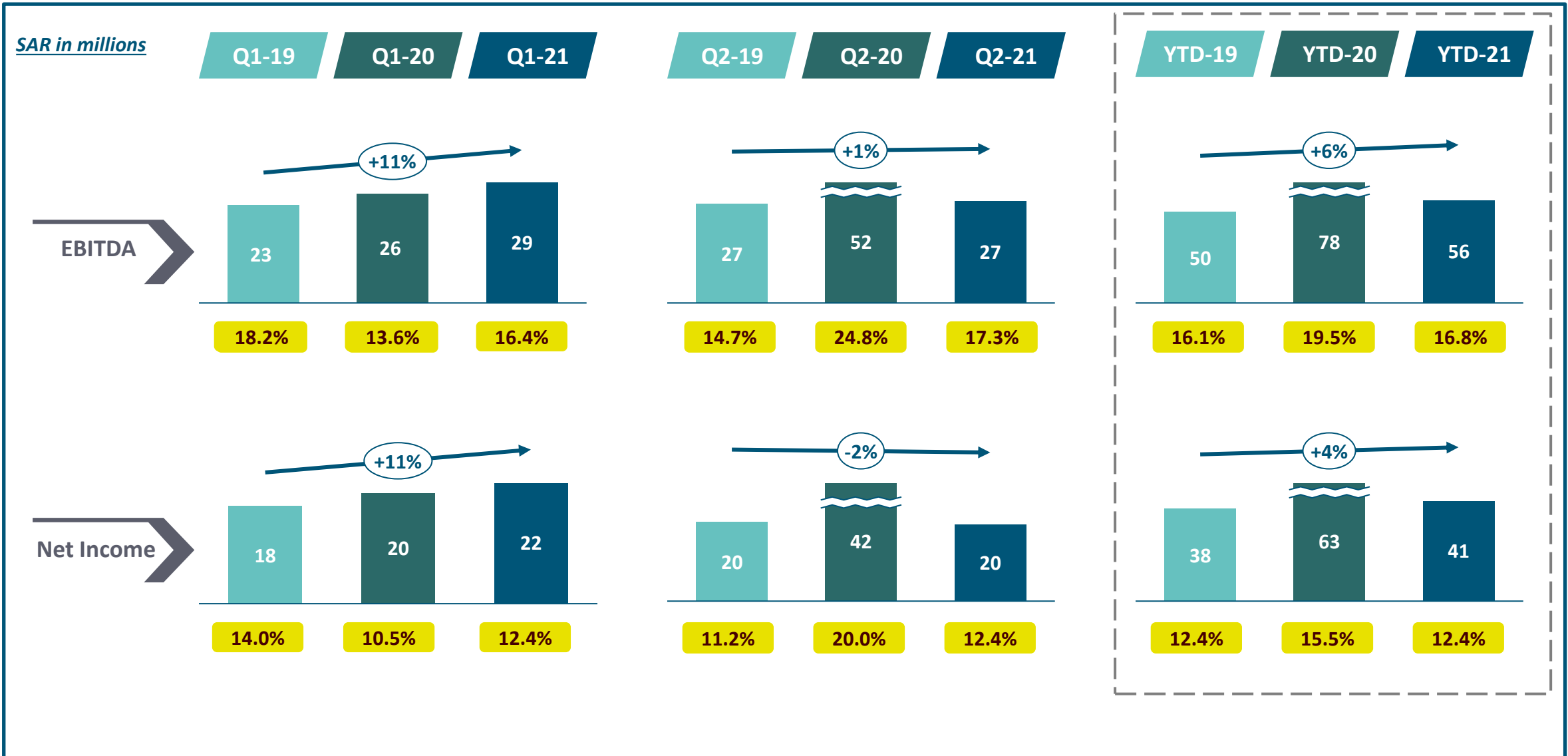
Margin



Note: numbers are rounded

FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

Financial Summary

(all figures are in SAR millions)

Segment Wise Financials

	YTD June 2021					YTD June 2020				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food*										
Oil-Mature Markets	2,994	529	241	118	289	2,387	453	231	142	276
Oil-Other Markets**	772	65	25	13	32	669	64	21	10	29
Total Oil	3,765	594	266	131	321	3,056	517	252	151	305
Sugar	1,326	167	108	56	151	1,250	159	78	36	120
Pasta	313	46	16	8	23	296	54	17	9	25
Emerging Categories***	147	10	(3)	(9)	6	103	5	(10)	(16)	(2)
Total Foods	5,551	817	387	186	500	4,705	734	337	180	448
Retail										
KSA	5,496	1,221	29	(80)	333	6,504	1,507	278	165	615
Egypt	67	15	2	1	7	58	12	(4)	(7)	4
Total Retail	5,563	1,235	31	(79)	340	6,562	1,519	274	158	618
Herfy	632	164	69	51	151	467	87	8	(12)	96
Frozen Food	334	118	46	41	56	403	162	68	63	78
Real Estate	-	-	9	9	9	-	-	(6)	(6)	(6)
Al Marai-Savola Share	-	-	294	294	294	-	-	355	355	355
HQ/Elimination/Impairments	(225)	(4)	(50)	(149)	(32)	(207)	(1)	(43)	(154)	(24)
Total	11,855	2,329	787	354	1,319	11,930	2,502	993	582	1,565
Adjustments										
Emerging markets provision				23						
Adjusted Profit				377					582	

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

** Other markets include Algeria, Morocco and Sudan

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

INVESTOR RELATIONS APPLICATION



Views Savola Group share price, charts and performance on the go



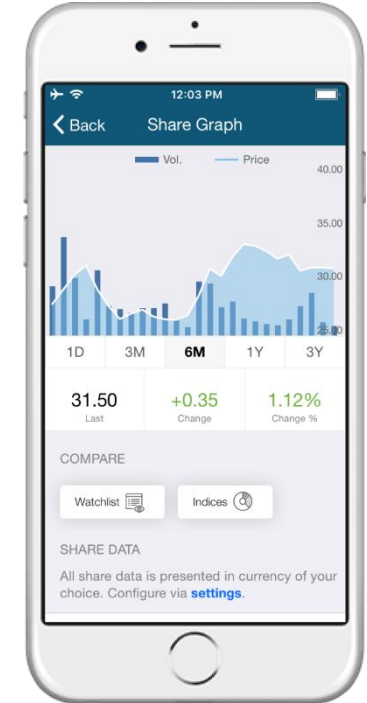
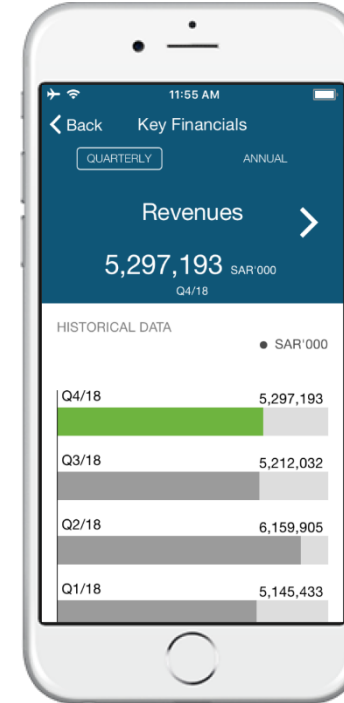
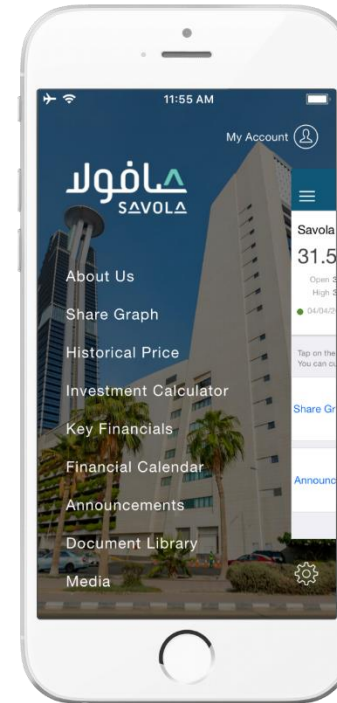
Savola Group Annual & Quarterly figures



Savola Group News releases from Tadawul



Annual/Quarterly Reports accessible offline



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Thank you