

# Savola Group

Earnings Presentation | Q3 2020

[www.savola.com](http://www.savola.com)



## DISCLAIMER

This presentation might contain 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.

Forward-looking statements are based on certain assumptions and expectations of future events. The Savola Group (Savola or Group), its subsidiaries and its affiliates (the “Companies”) referred to in this presentation cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results, performance or achievements of the Companies, could thus differ materially from those projected in any such forward-looking statements. The Companies assume no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events, or otherwise.

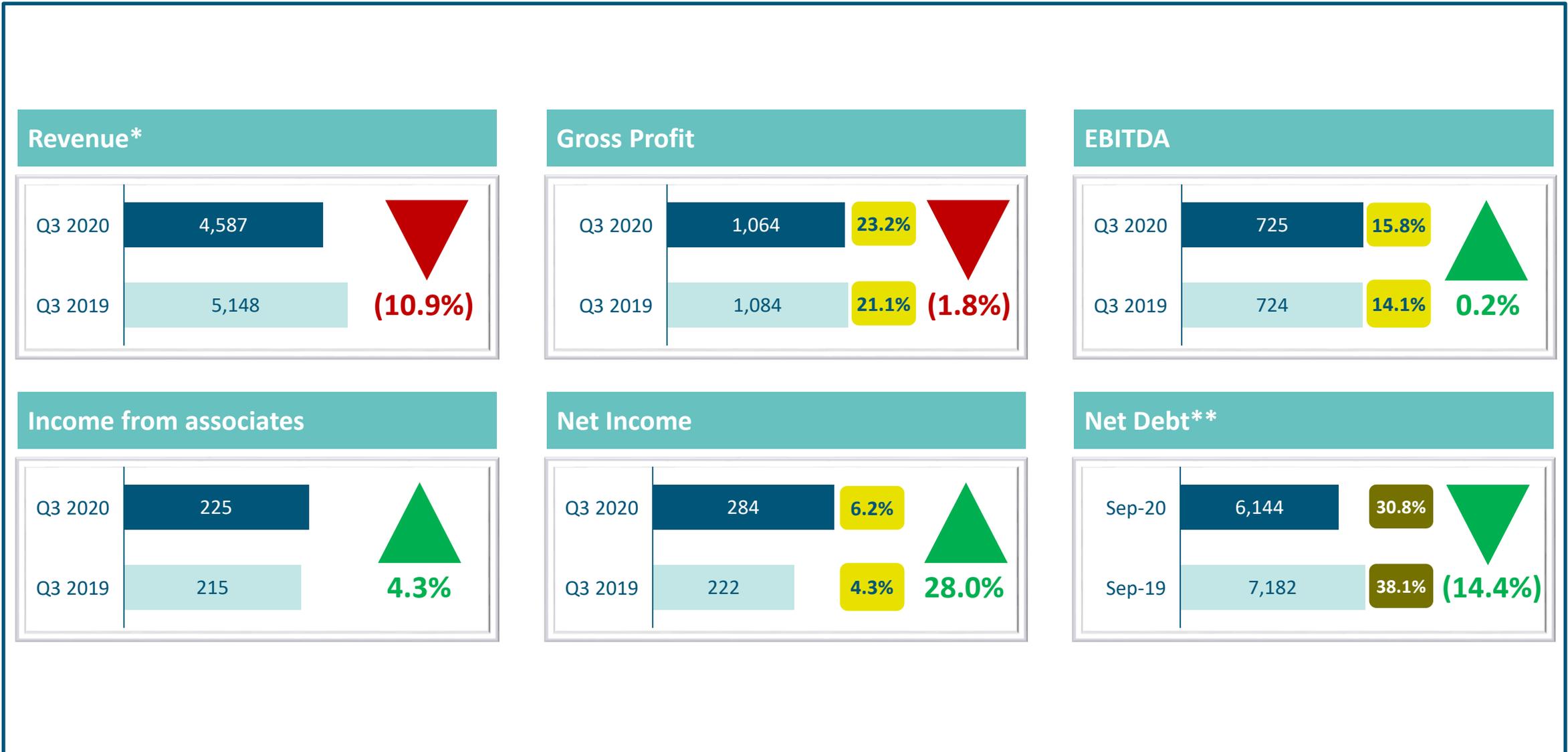
Information contained in this presentation is subject to change without further notice, its accuracy is not guaranteed, and it may not contain all material information concerning The Savola Group and its affiliates. We do not make any representation regarding, and assume no responsibility or liability for the accuracy or completeness of, or any errors or omissions in, to any information contained herein.

# KEY HIGHLIGHTS FOR Q3 2020

SARmn (unless otherwise stated)

Margin

Net Debt to Liquid Investments



\*Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q3 2020 financial statements

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

# GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin

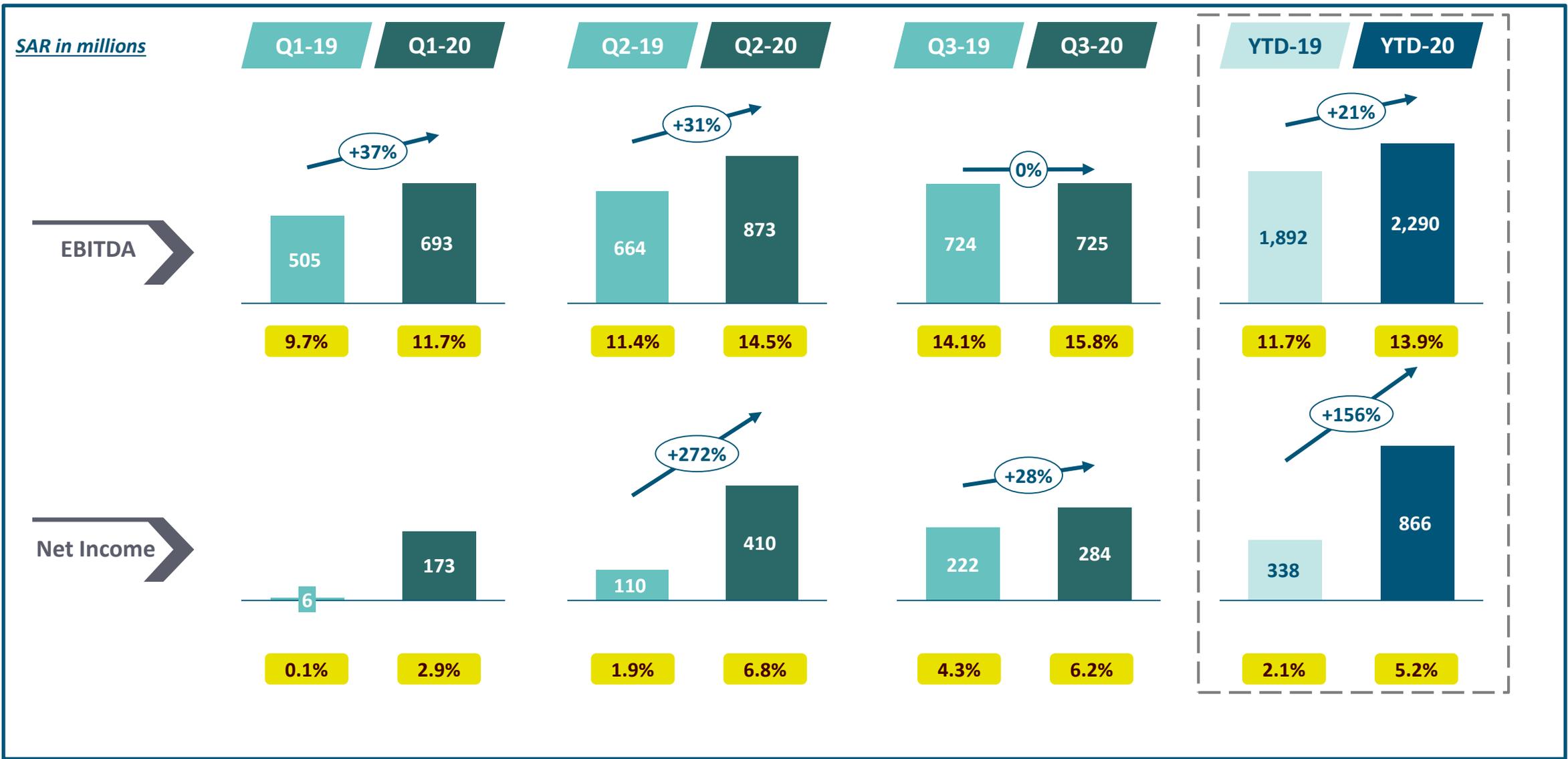


\*Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q3 2020 financial statements.

Note: numbers are rounded

# GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



Note: numbers are rounded

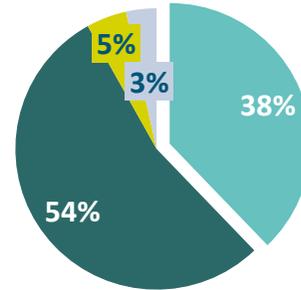
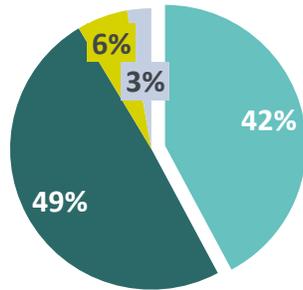
# GROUP – REVENUE MIX, NET DEBT & CAPEX

SAR in millions

## Revenue by Business\*

YTD-19

YTD-20

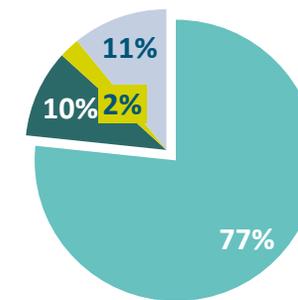
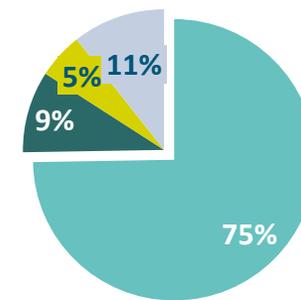


Food Processing Retail Food Services Frozen Food

## Revenue by Geography

YTD-19

YTD-20

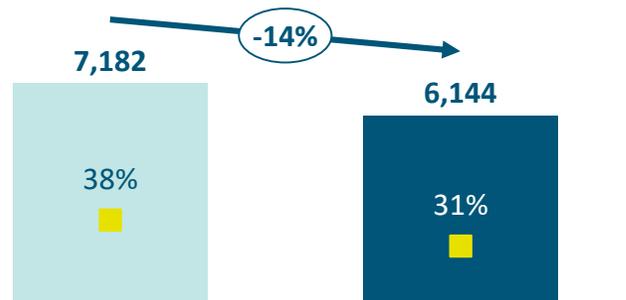


KSA Egypt Central Asia Others

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

Sep-19

Sep-20

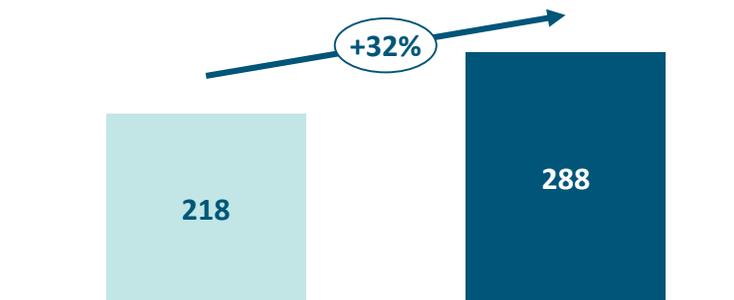


Net Debt to Liquid Investments (%)  
Net Debt

## CAPEX

YTD-19

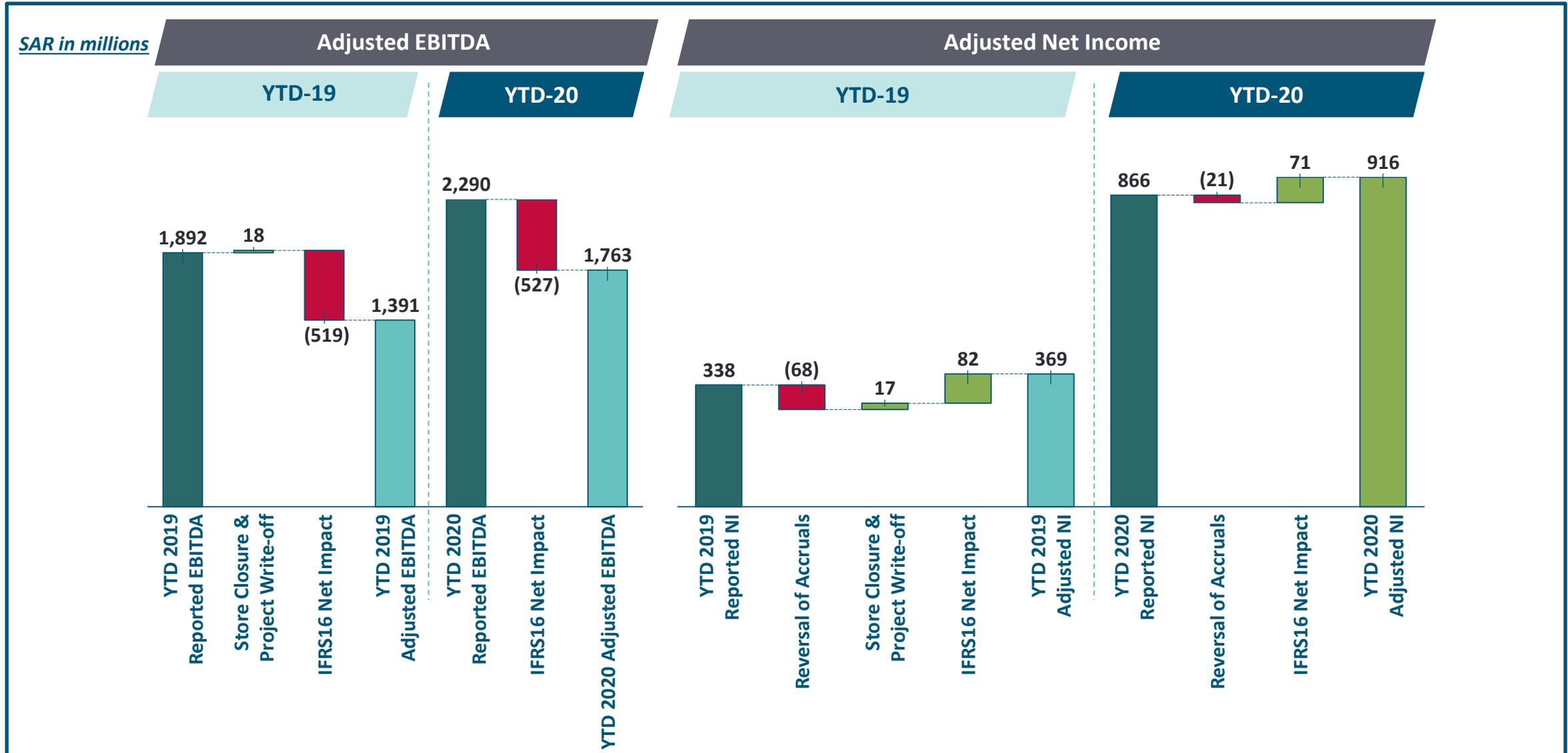
YTD-20



\*Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q3 2020 financial statements.

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

# IMPLICATIONS OF EXCEPTIONAL ITEMS



# Panda Retail Company



# RETAIL - HIGHLIGHTS

## Key Highlights

- In Q3 2020, our business witnessed a relatively flat top-line with a marginal decrease of 1% as consumers have stocked-up prior to the VAT increase in certain categories

## Store Count

- Store count decreased to 205 stores by end of Q3, as we have converted one supermarket in Saudi Arabia into a fulfillment center supporting the growth of our online channel

## Revenues

- Revenues of SAR 9.1 bn in YTD September 2020, showing YoY growth of 12%
- The growth is mainly driven by higher like-for-like grocery demand during the first half of the year due to the shift in consumer behavior for dine-in and pantry loading

## Profitability

- YTD September 2020, reported EBITDA of SAR 844 mn, compared to SAR 432 mn last year
- Net income reached to SAR 173 mn in YTD September 2020 driven by topline growth and improvement in gross margins, compared to losses of SAR 331 mn last year

# RETAIL – FINANCIAL HIGHLIGHTS

Margin

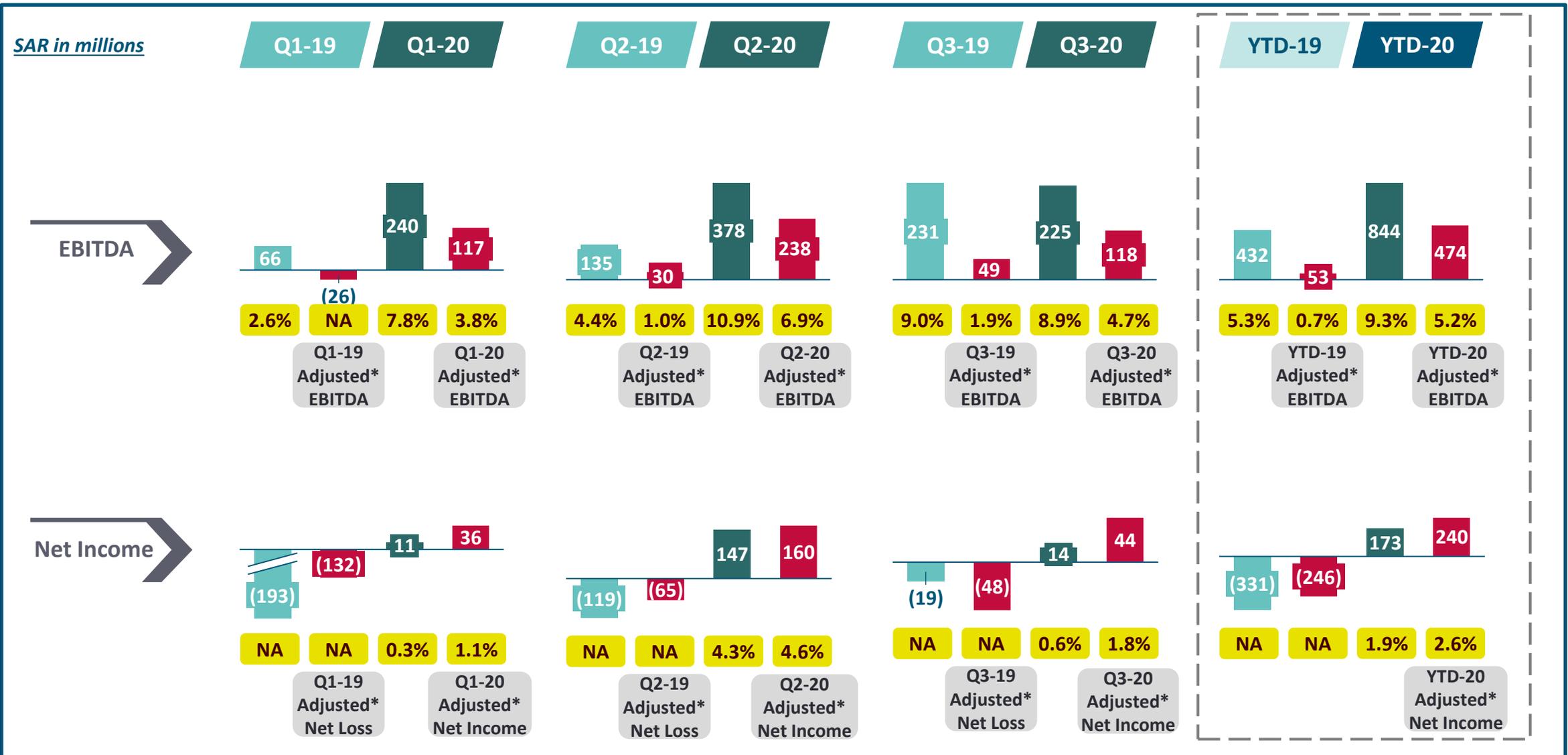


\*Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q3 2020 financial statements.

Note: numbers are rounded

# RETAIL – FINANCIAL HIGHLIGHTS

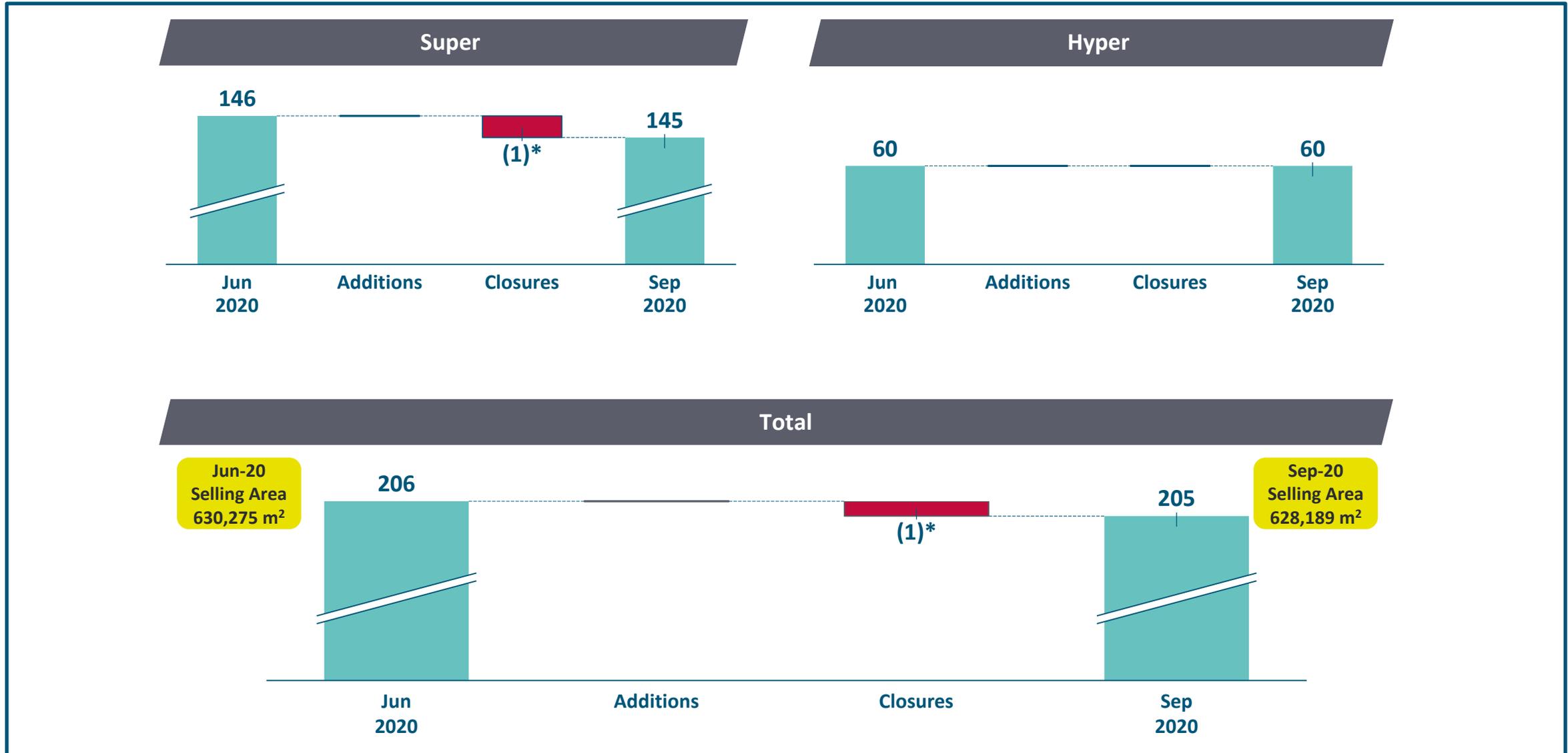
Adjusted metric Margin



\*Adjusted numbers include adjustments for IFRS16, reversal of accruals, store closure and projects write-off

Note: numbers are rounded

# RETAIL – NUMBER OF STORES



\*a supermarket in Saudi Arabia was converted to a fulfilment center for the online channel

# Savola Foods Company

## Key Highlights

- Despite a challenging macroeconomic, currency and commodity environment impacting top-line across most segments, profitability remained resilient

## Volume

- Volumes slightly decreased by 3% to 2,405 KMT in YTD September 2020, driven primarily by a 7% decline in sugar volumes mainly due to Egypt
- Edibles oil volumes remained relatively flat at 1,160 KMT in YTD September 2020

## Revenues

- Revenues declined by 8% vs. last year reaching SAR 6.4 bn in YTD September 2020
  - Edibles oil revenues decreased by 10% vs. last year, largely due to Central Asia
  - Sugar revenues declined by about 10%, mainly due to lower volumes and prices
  - Pasta revenue increased by 6%, in YTD September 2020 compared to last year

## Profitability

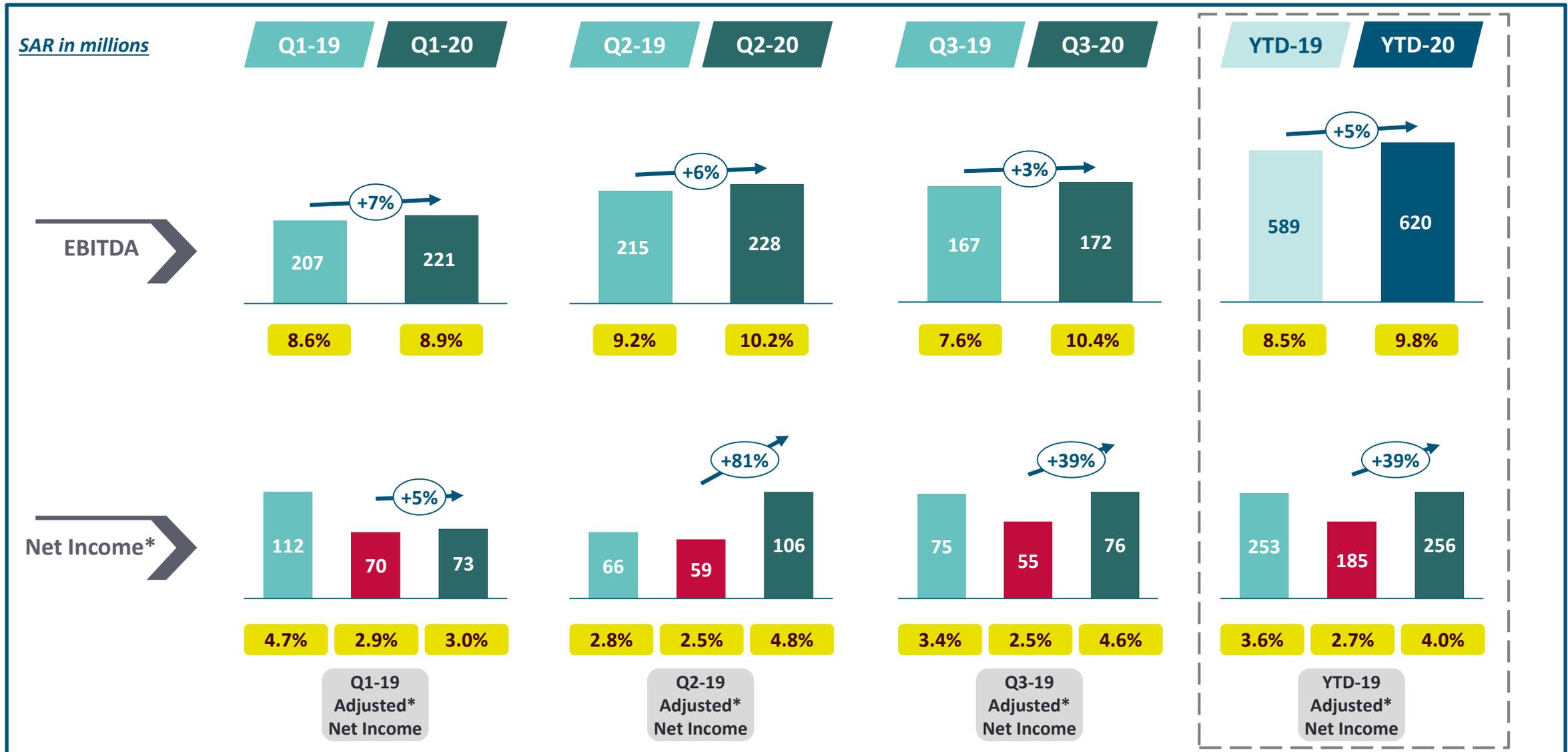
- EBITDA improved to SAR 620 mn in YTD September 2020 vs. SAR 589 mn last year
- Net Income increased to SAR 256 mn in YTD September 2020, compared to SAR 253 mn last year (which included one-offs of about SAR 68 mn)

# FOODS – FINANCIAL HIGHLIGHTS



# FOODS – FINANCIAL HIGHLIGHTS

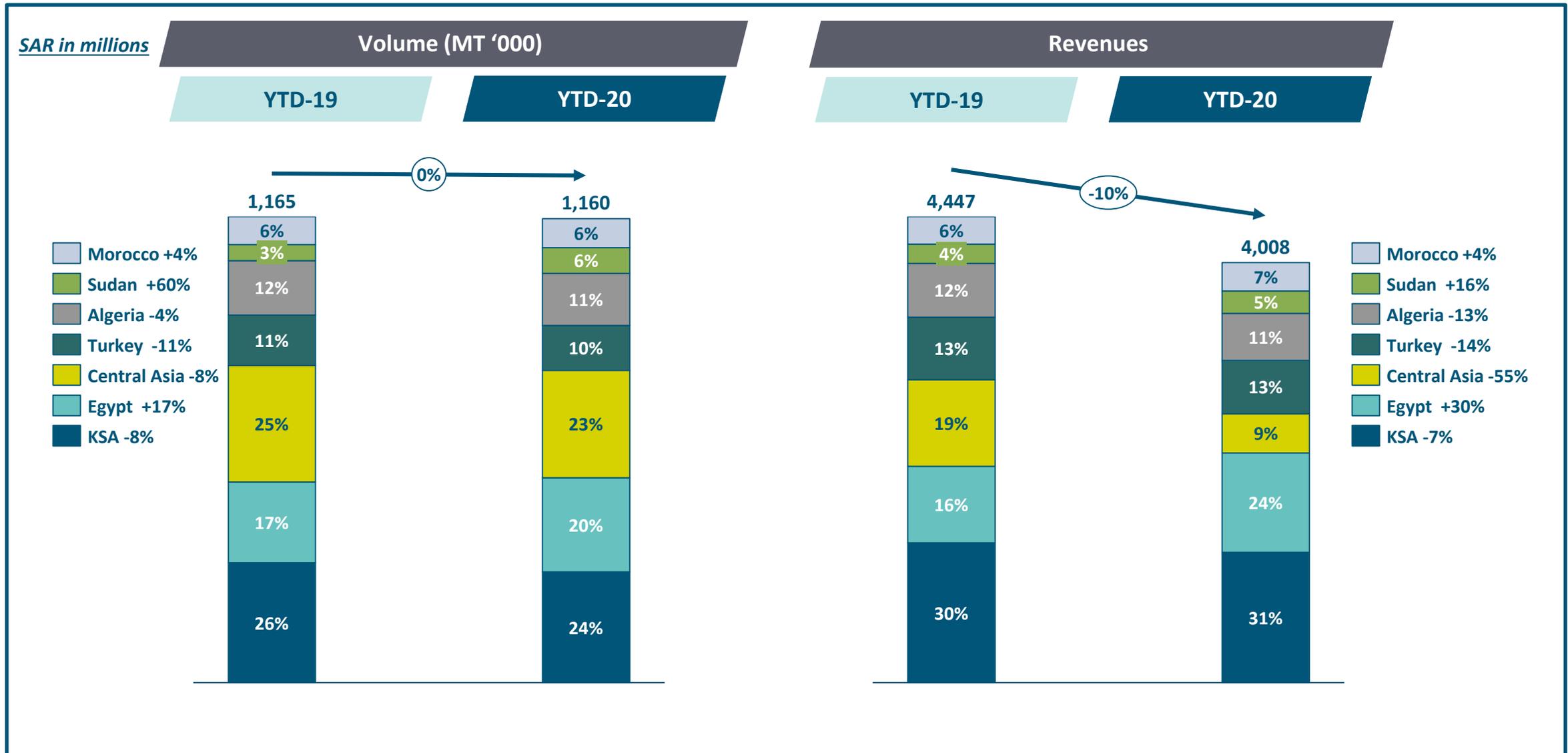
Adjusted metric Margin



\*In YTD September 2019, Savola Foods recorded non-operational income of about SAR 68 million due to reversal of accruals

Note: numbers are rounded

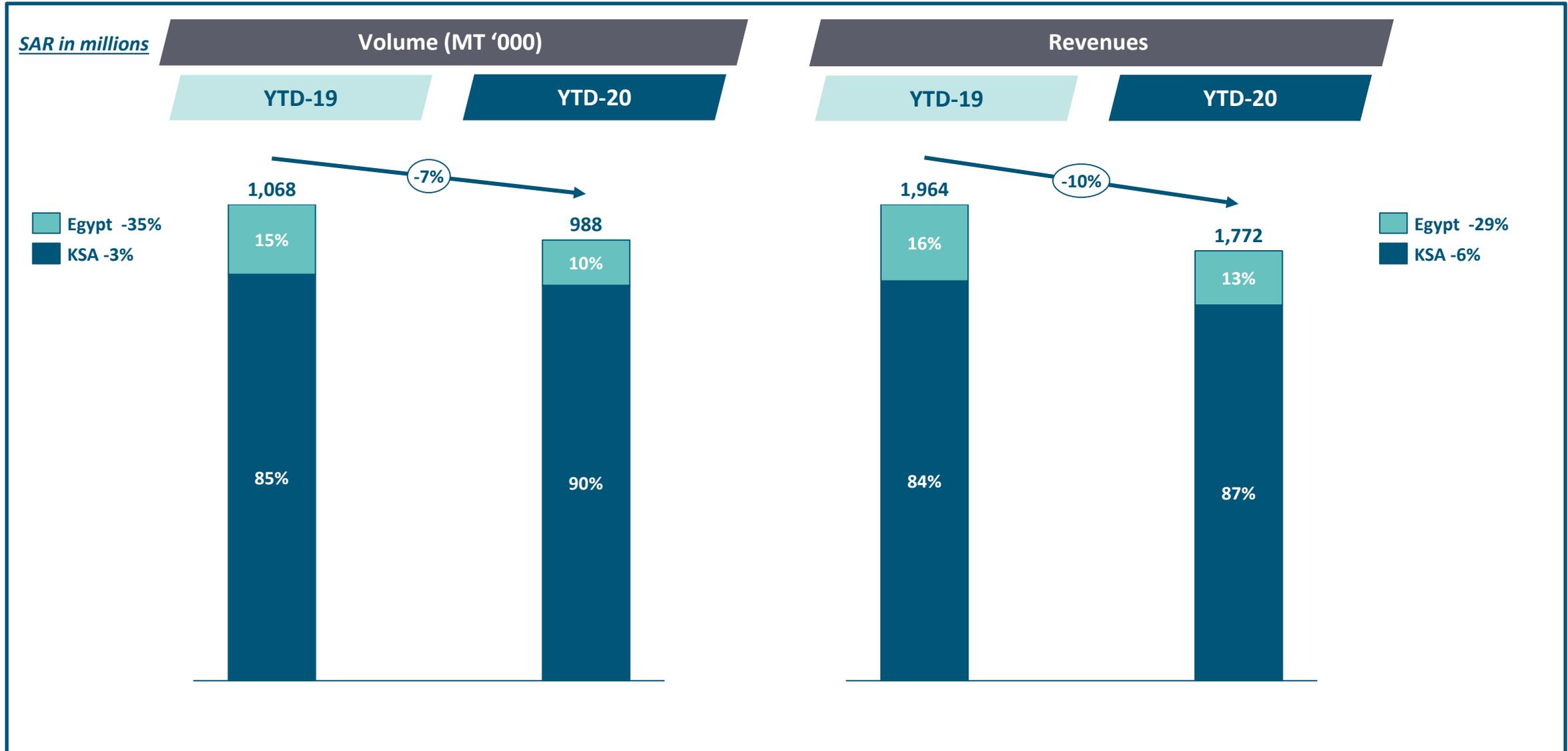
# FOODS – OIL SEGMENT ANALYSIS



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 24

Note: numbers are rounded

# 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 are rounded

# Al Kabeer Group of Companies



# FROZEN FOOD - HIGHLIGHTS



## Key Highlights

- Demand for frozen food continued to show a healthy trend during Q3 2020, with topline increasing by 27%, as consumers still showed preference for in-house dining and general preference for longer life products

## Revenues

- Revenues increased by 29% reaching SAR 584 mn in YTD September 2020 compared to SAR 453 mn last year, largely driven by strong growth in Saudi Arabia supported by ramping-up local production and new product offerings

## Profitability

- YTD September 2020 EBITDA increased by 62% compared to last year, reaching SAR 108 mn from SAR 67 mn last year
- YTD September 2020 net income registered at SAR 83 mn, representing growth of about 64% compared to last year, where net income reached SAR 50 mn last year

# FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

Margin

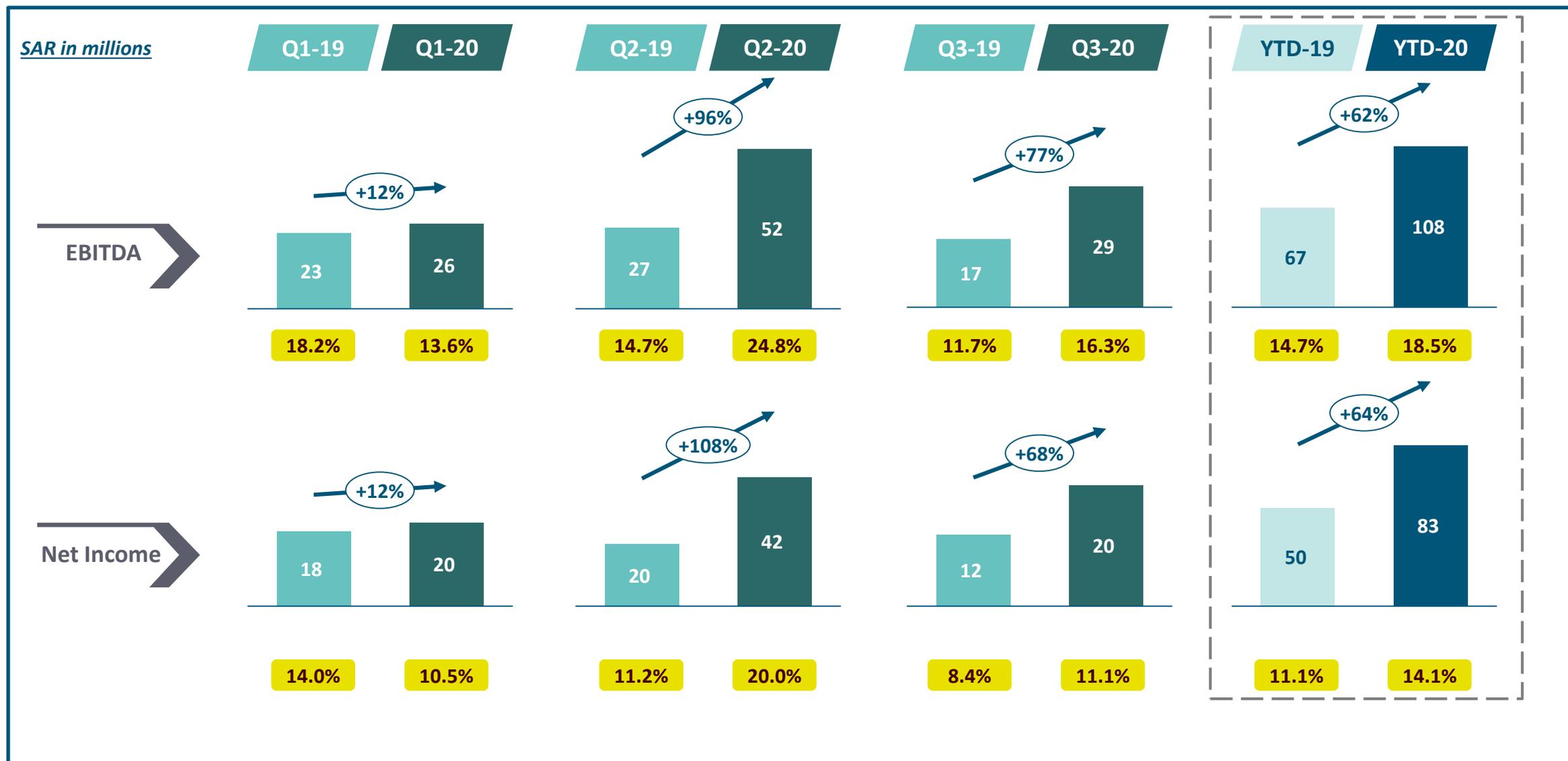


Note: Revenues from the frozen food segment were reclassified for the prior period last year, YTD Sep 2019, with regards to the presentation of inter-group elimination

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 September 2020					YTD September 2019				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
<b>Food*</b>										
Oil-Mature Markets	3,075	594	285	171	352	3,486	613	214	125	279
Oil-Start-up Markets**	933	103	48	20	58	961	105	55	34	65
Total Oil	4,008	697	333	192	410	4,447	717	269	159	344
Sugar	1,772	224	115	72	178	1,964	296	165	123	226
Pasta	423	73	21	11	33	398	49	14	0	26
Emerging Categories***	154	8	(14)	(19)	(1)	134	4	(20)	(29)	(7)
<b>Total Foods</b>	<b>6,358</b>	<b>1,002</b>	<b>454</b>	<b>256</b>	<b>620</b>	<b>6,943</b>	<b>1,066</b>	<b>428</b>	<b>253</b>	<b>589</b>
<b>Retail</b>										
KSA	9,003	2,138	332	182	838	8,024	1,779	(133)	(326)	430
Egypt	86	17	(7)	(9)	5	73	14	(9)	(6)	2
<b>Total Retail</b>	<b>9,089</b>	<b>2,156</b>	<b>326</b>	<b>173</b>	<b>844</b>	<b>8,098</b>	<b>1,792</b>	<b>(141)</b>	<b>(331)</b>	<b>432</b>
Herfy	778	182	60	30	190	962	293	180	146	302
Frozen Food	584	228	93	83	108	453	161	55	50	67
Real Estate	-	-	(7)	(7)	(7)	-	-	13	13	13
Al Marai-Savola Share	-	-	569	569	569	-	-	518	518	518
HQ/Elimination/Impairments	(291)	(1)	(62)	(236)	(33)	(281)	-	(56)	(311)	(29)
<b>Total</b>	<b>16,517</b>	<b>3,566</b>	<b>1,432</b>	<b>866</b>	<b>2,290</b>	<b>16,175</b>	<b>3,313</b>	<b>997</b>	<b>338</b>	<b>1,892</b>
<b>Adjustments</b>										
Store Closure and Project Write-off				-					17	
Reversals of Accrual				(21)					(68)	
Net Impact of IFRS16				71					82	
<b>Adjusted Profit</b>				<b>916</b>					<b>369</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.

Note: Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q3 2020 financial statements.  
Revenues from the frozen food segment were reclassified for the prior period last year, YTD Sep 2019, with regards to the presentation of inter-group elimination

Note: numbers are rounded

# Investor Relations Application



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



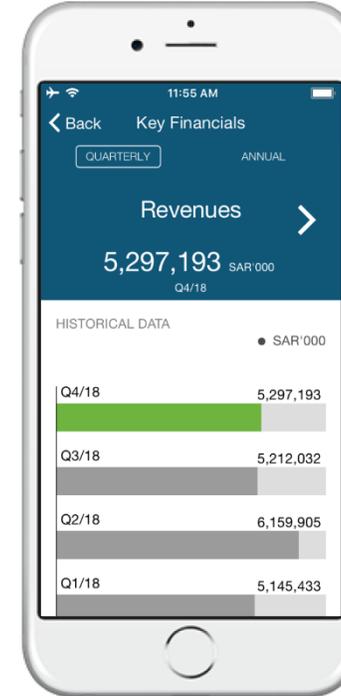
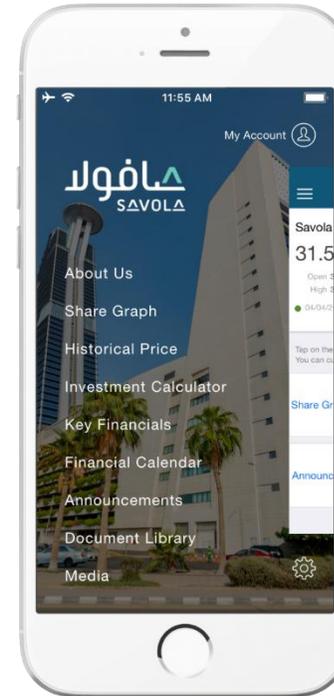
Savola Group Annual & Quarterly figures



Savola Group News releases from Tadawul



Annual/Quarterly Reports accessible offline



<http://www.myirapp.com/savola/>



Thank you