

Savola Group

Earnings Presentation | Q4 2020

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KEY MANAGEMENT HIGHLIGHTS FOR 2020

Business Highlights

- **Strong performance across majority of segments in 2020, except for foodservices**
- In KSA, strong H1 followed by pronounced impact of VAT, allowance cuts and expat exodus in H2
- In Foods, earnings quality improved, despite a volatile commodity and currency environment

Financial Performance

- Savola Group has recorded about 1.4% growth in topline during 2020
- **Net Income reached at SAR 911 mn in 2020 compared to SAR 476 mn last year, mainly driven by recovery in retail profitability and stronger performance in foods**

Dividends

- **The Board recommended a dividend of SAR 0.75 per share for 2020**
- Payout ratio of 44%, annual dividend of over SAR 400 mn compared to SAR 160 mn last year

Long-term Incentive Program

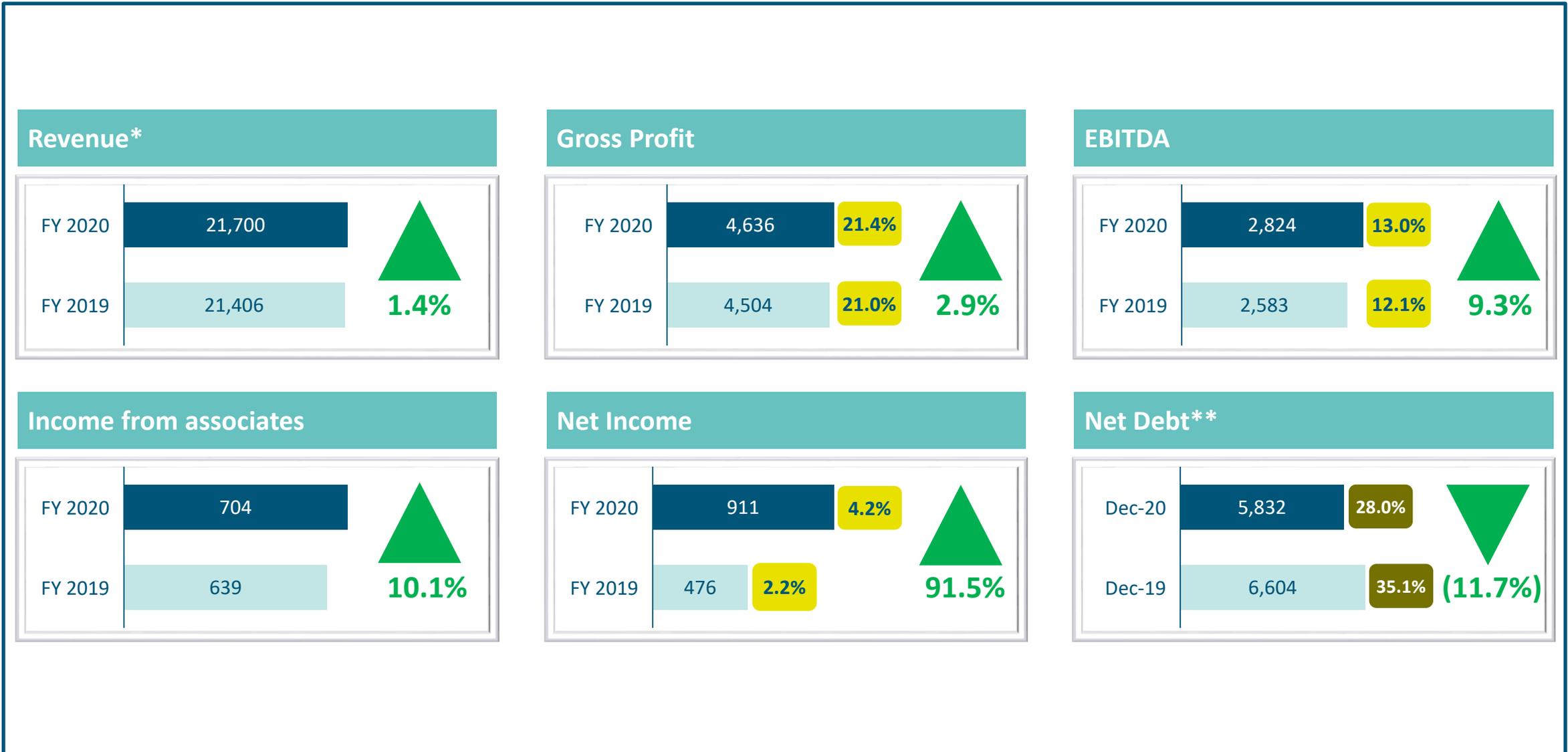
- Savola completed the buyback of 341,675 shares specified for the purpose of the Employees Long-Term Incentive Program (LTIP) based on the number of the qualified employees for the first tranche in 2020

2020 KEY FINANCIAL HIGHLIGHTS

SARmn (unless otherwise stated)

Margin

Net Debt to Liquid Investments

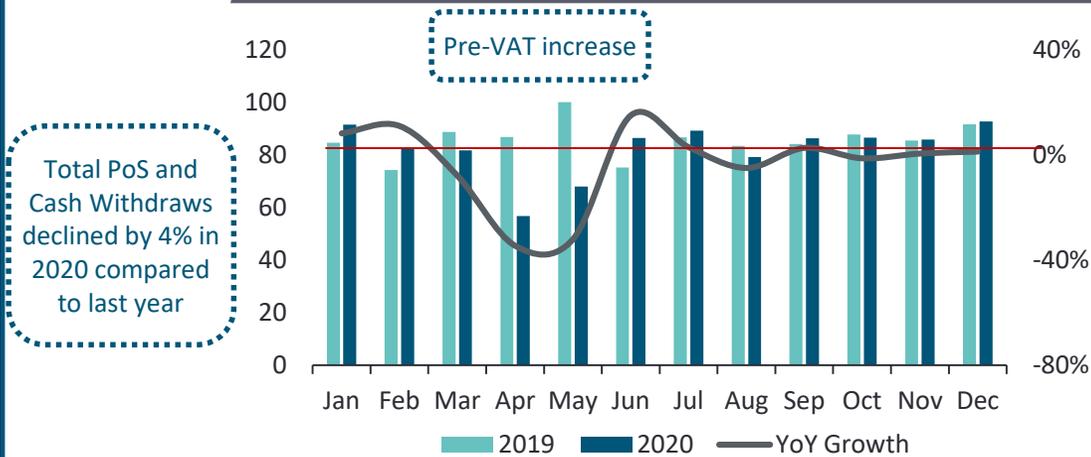


*Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q4 2020 financial statements

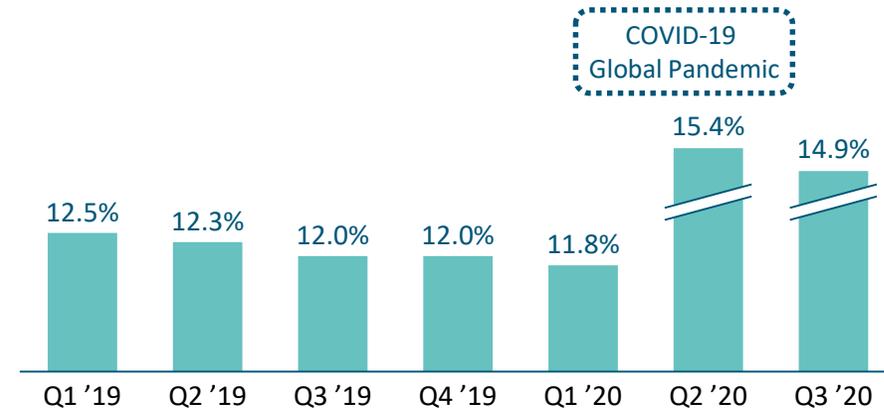
**Net debt excludes lease liabilities; liquid investments refers to the market value of Savola Group's investment in Almarai and Herfy.

KSA - MACROECONOMIC HIGHLIGHTS

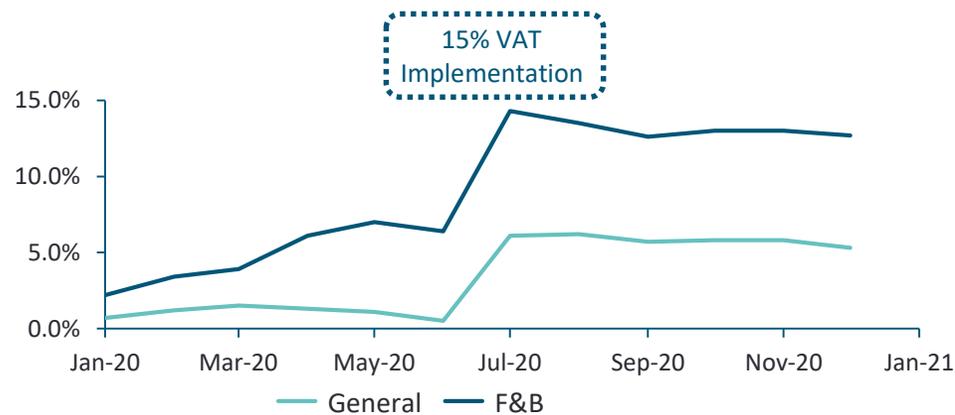
Combined PoS and Cash Withdrawals, SAR bn



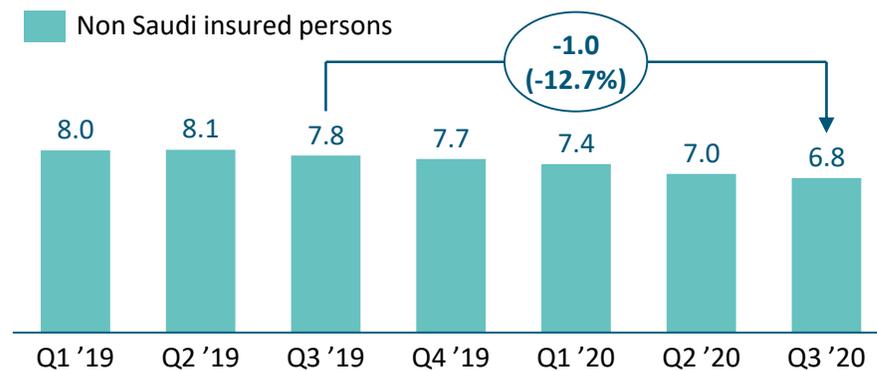
Saudi Unemployment Rate



Average Inflation Rate, %

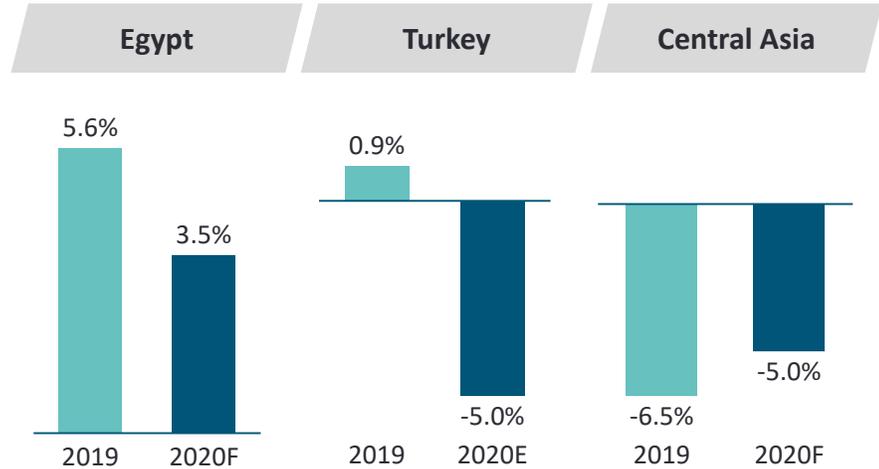


Expat Population Proxy*, millions

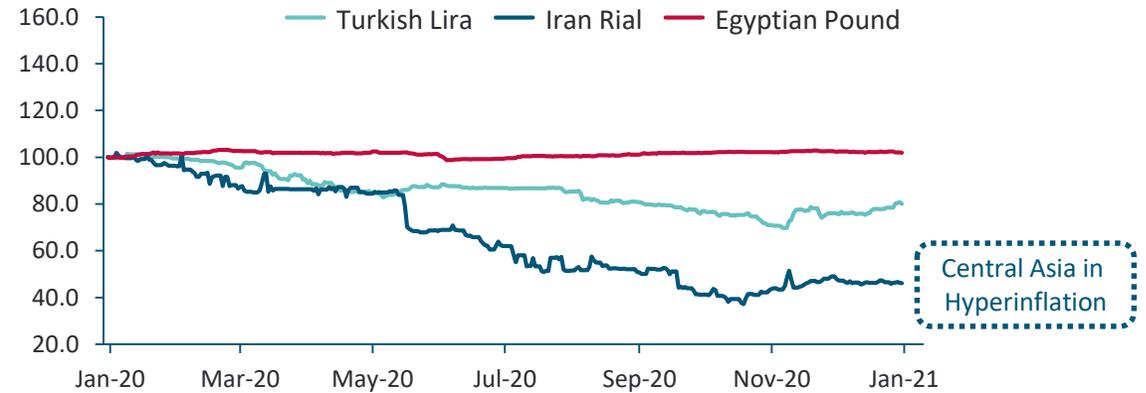


SELECTED MENA AND COMMODITIES OVERVIEW

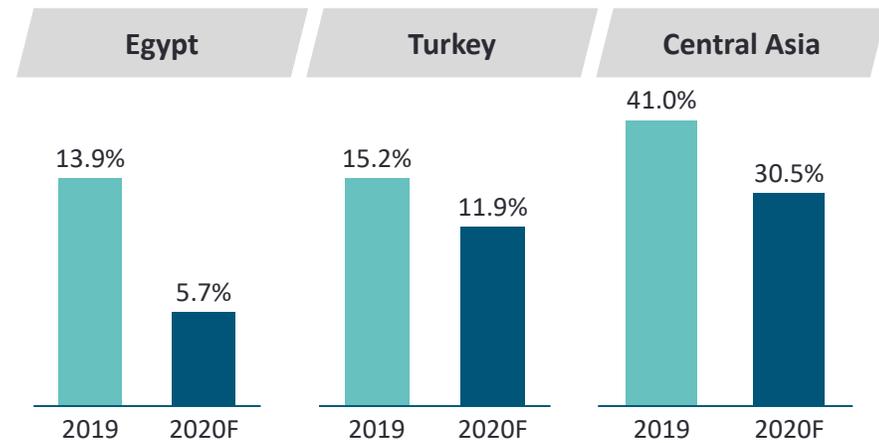
Real GDP, % change



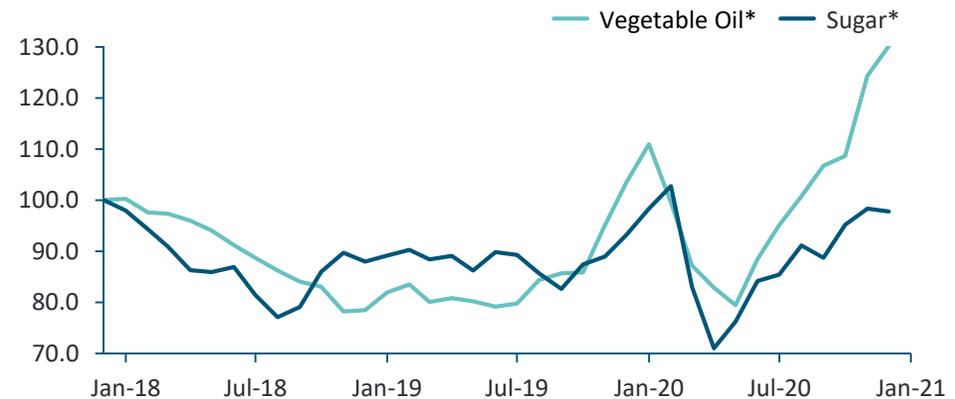
Selected Currency Highlights (rebased)



Average Inflation Rate, %



FAO Vegetable Oils and Sugar Indices (rebased)



Savola Group

GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



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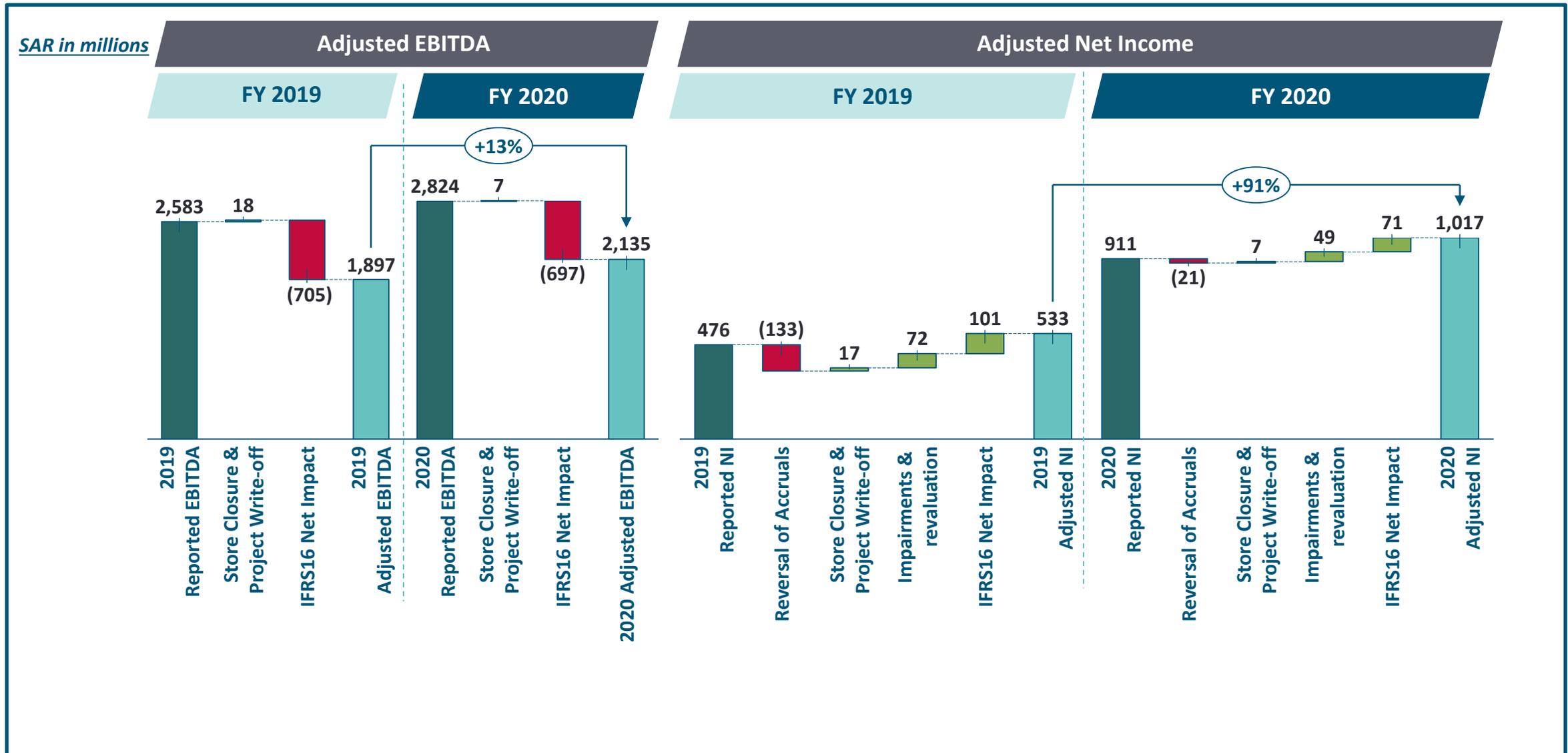
GROUP – CONSOLIDATED FINANCIAL HIGHLIGHTS

Margin



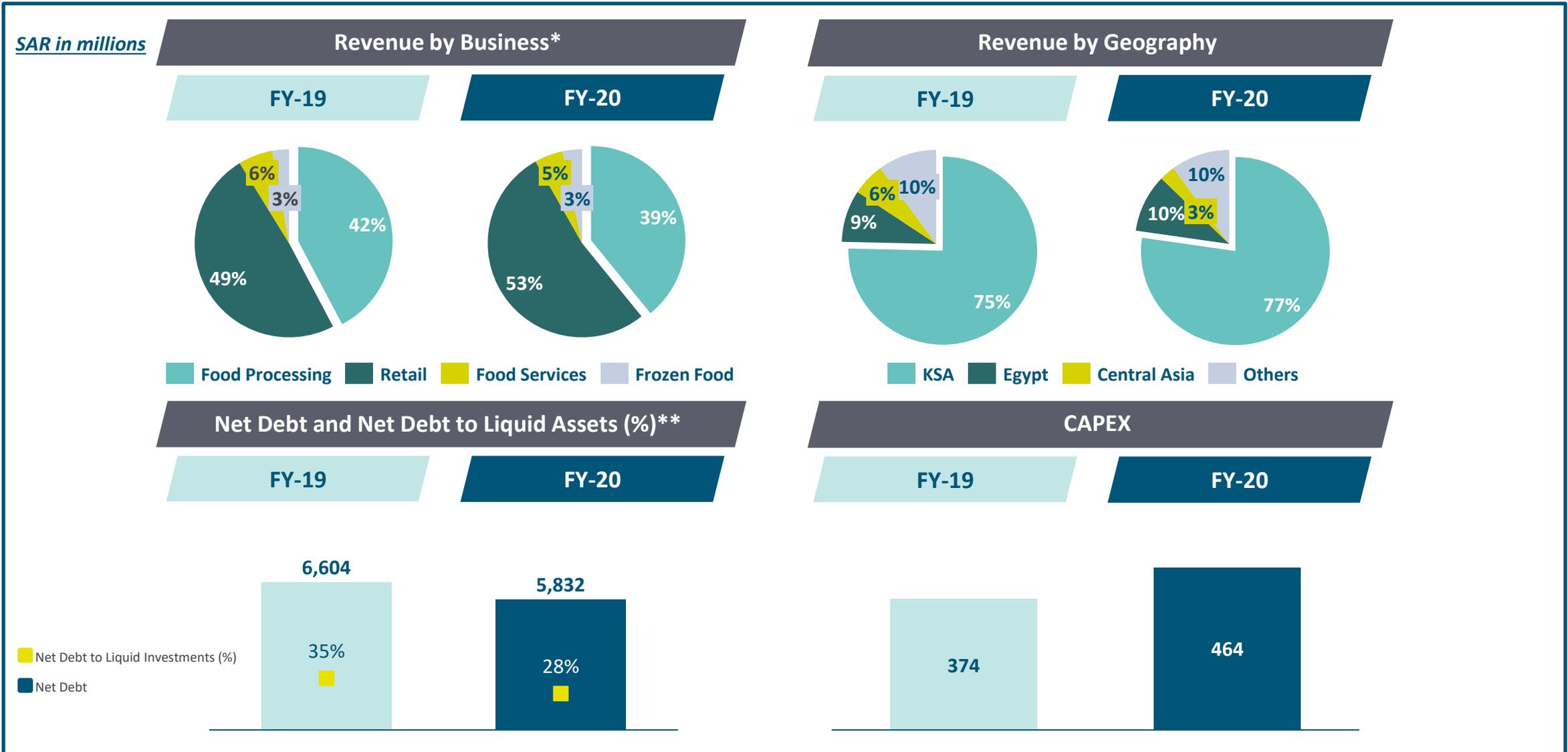
Note: numbers are rounded

IMPLICATIONS OF EXCEPTIONAL ITEMS



Note: numbers are rounded

GROUP – REVENUE MIX, NET DEBT & CAPEX



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

Panda Retail Company



RETAIL - HIGHLIGHTS

Key Highlights

- H1 2020 was positively impacted by increased demand for groceries driven by lockdowns and preference for in-house dining, along with pre-VAT buying
- H2 2020 was negatively impacted by increased pressure on consumers income, wave of expat exodus and pre-VAT buying from H1

Store Count

- Store count maintained at 205 stores by end of 2020, including 4 stores in Egypt
- In Saudi Arabia, a supermarket was opened while another was converted to a fulfilment center to support the online channel

Revenues

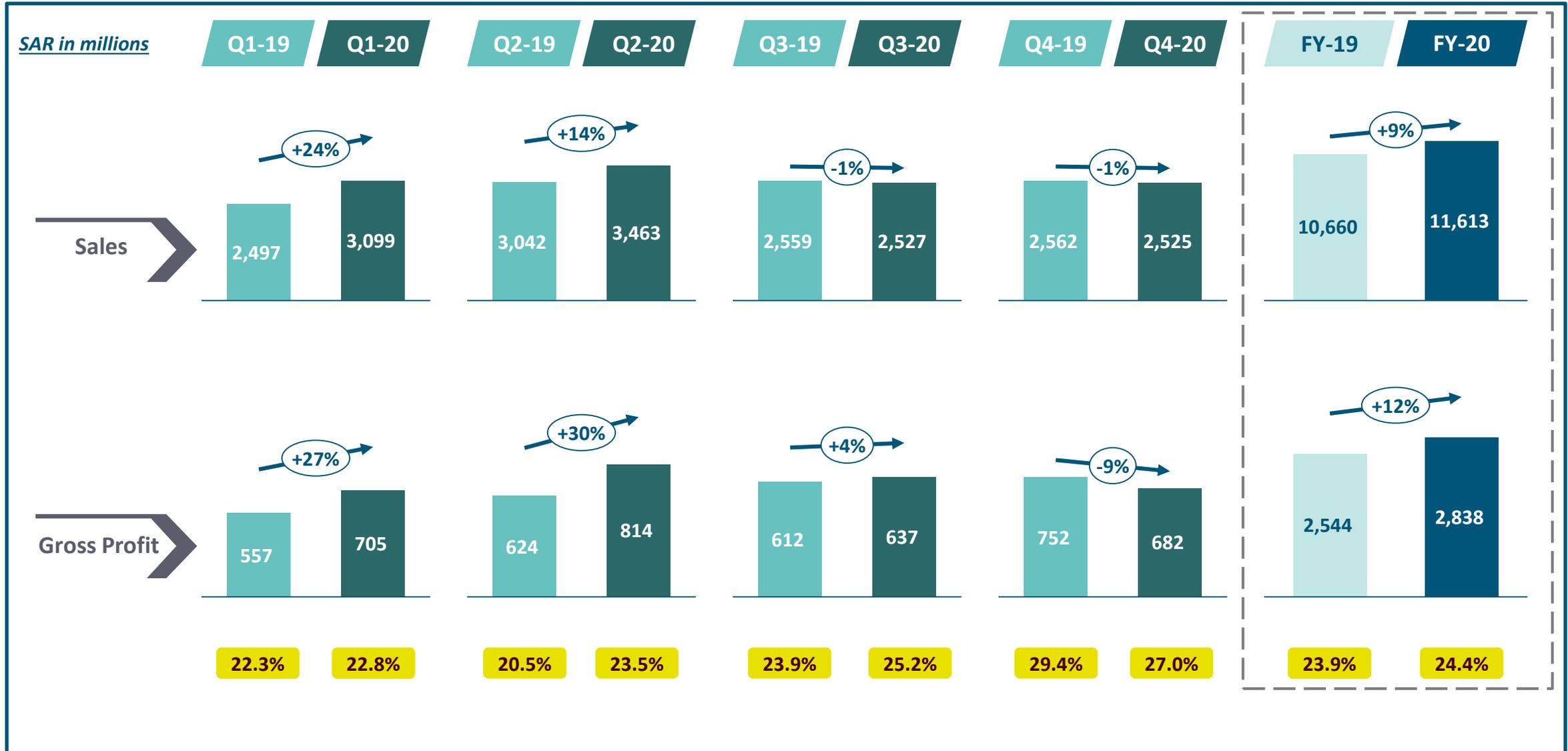
- The segment recorded revenues of SAR 11.6 bn during FY 2020, a growth of ~9% ; as a result of higher consumer demand for groceries
- The growth was mainly driven by higher like-for-like growth in basket size despite lower customer count

Profitability

- FY 2020, reported EBITDA of SAR 1.0 bn, compared to SAR 752 mn last year
- Net income reached to over SAR 71 mn in FY 2020 mainly driven by topline growth and improvement in gross margins, compared to losses of SAR 342 mn last year

RETAIL – FINANCIAL HIGHLIGHTS

Margin

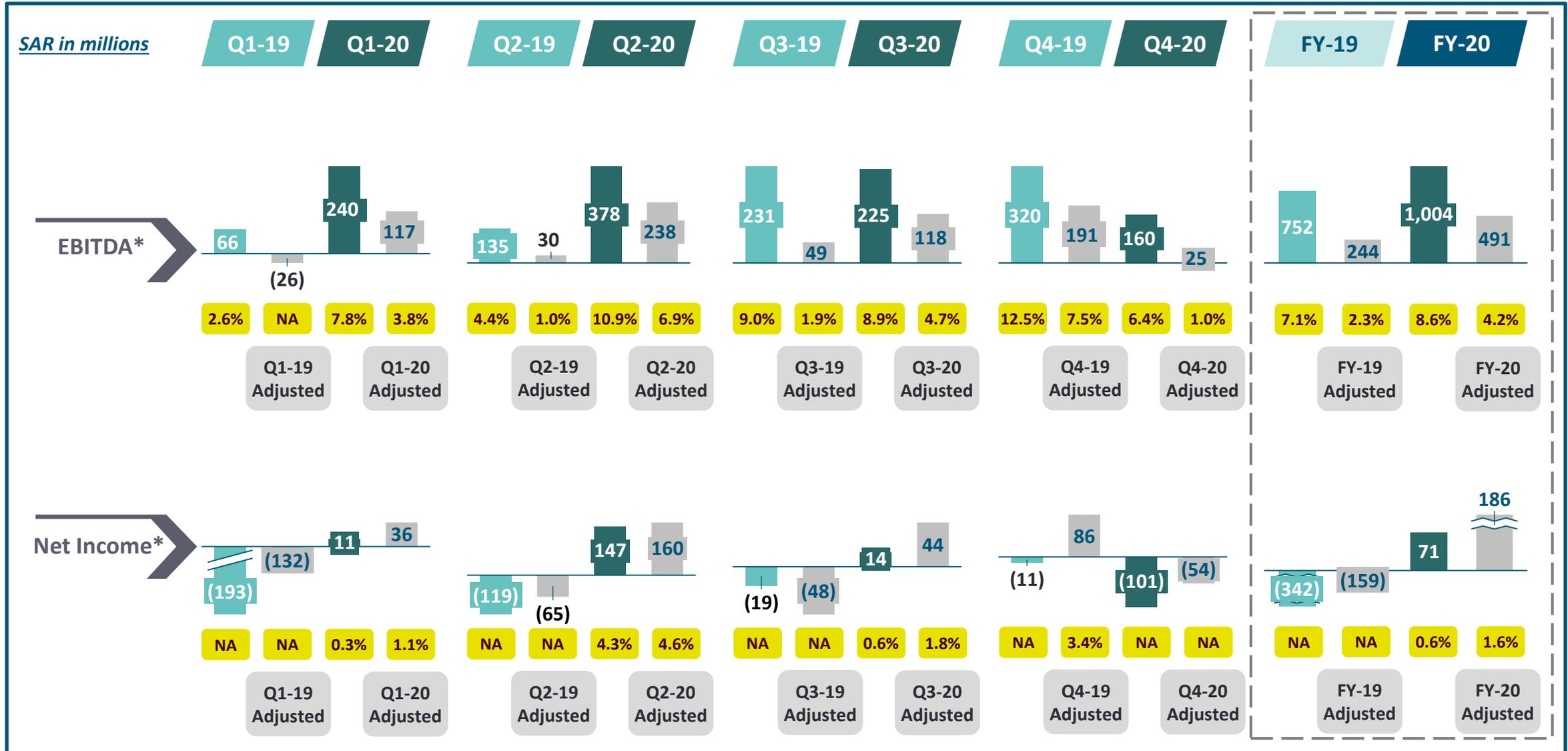


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Note: numbers are rounded

RETAIL – FINANCIAL HIGHLIGHTS

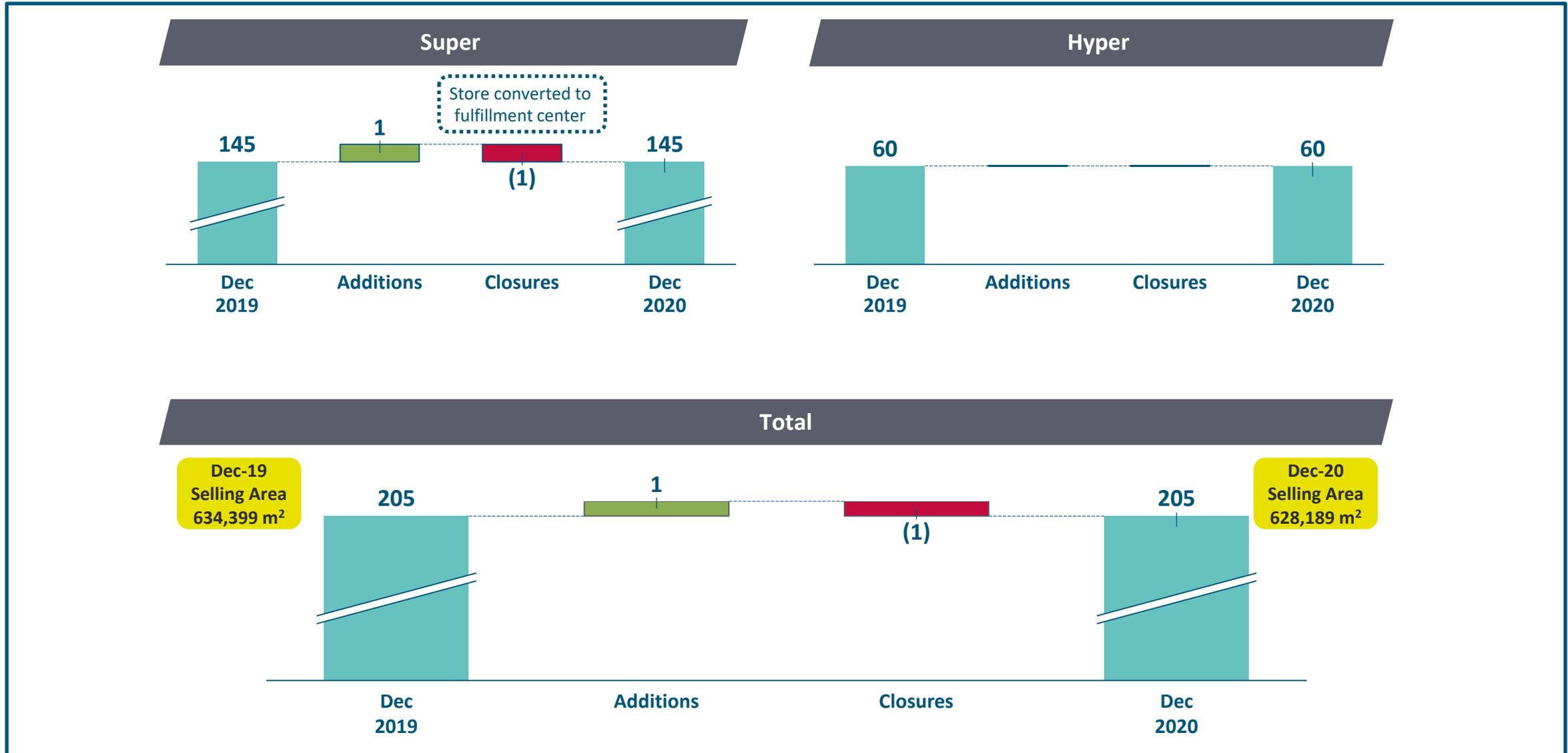
Margin



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

Note: numbers are rounded

RETAIL – NUMBER OF STORES



Note: the temporary closed store in Egypt was permanently closed, which was removed from store count in 2019. the above closure refers to the conversion of an existing super to a fulfillment center

Note: numbers are rounded

Savola Foods Company

Key Highlights

- The performance of our foods segment improved over last year, despite pressure on volumes from the B2B channel and on revenues from currency and commodity impact
- The segment witnessed an improvement in quality of earnings, compared to last year

Volume

- Volume has declined by ~5% to 3,139 KMT in FY 2020, driven primarily by a ~8% decline in the sugar segment and a ~4% decline in edible oils mainly from Central Asia
- **Pasta volumes improved by ~2% in FY 2020**

Revenues

- **2020 revenues are 6% lower than last year, reaching SAR 8.6 bn primarily due to weakness in edible oils**, explained by volume and currency impact from Central Asia, and to a lesser extent, lower volumes in the sugar segment
- Pasta segment reported revenue growth of over 5%

Profitability

- Despite the volume and revenue decrease, EBITDA improved to SAR 785 mn in 2020 compared to SAR 741 mn last year, with margins improving to ~9% (~8% last year)
- **FY 2020 net income is over SAR 311 mn, compared to SAR 292 mn last year, with improvement in the quality of earnings compared to last year**

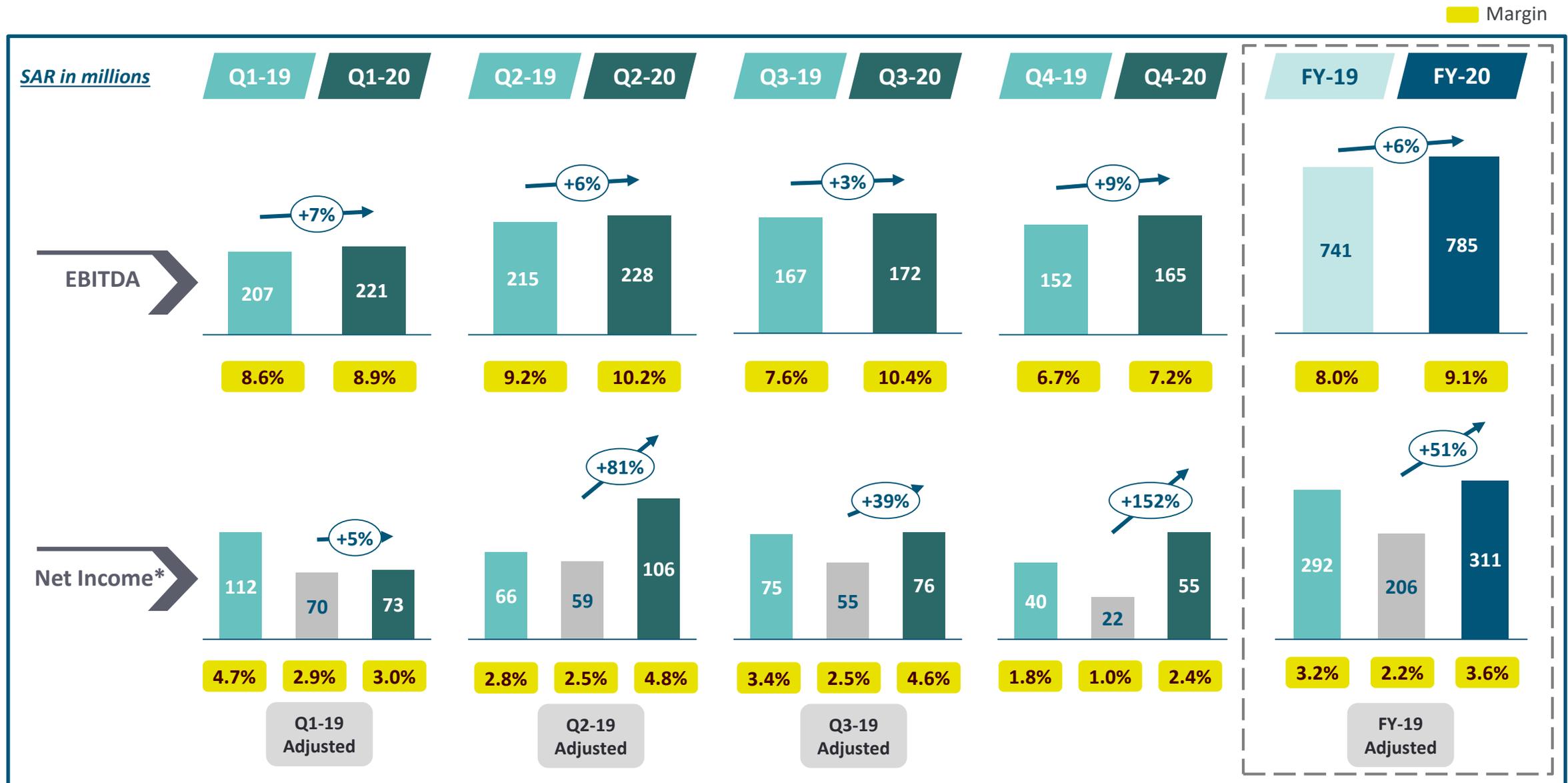
FOODS – FINANCIAL HIGHLIGHTS

Margin



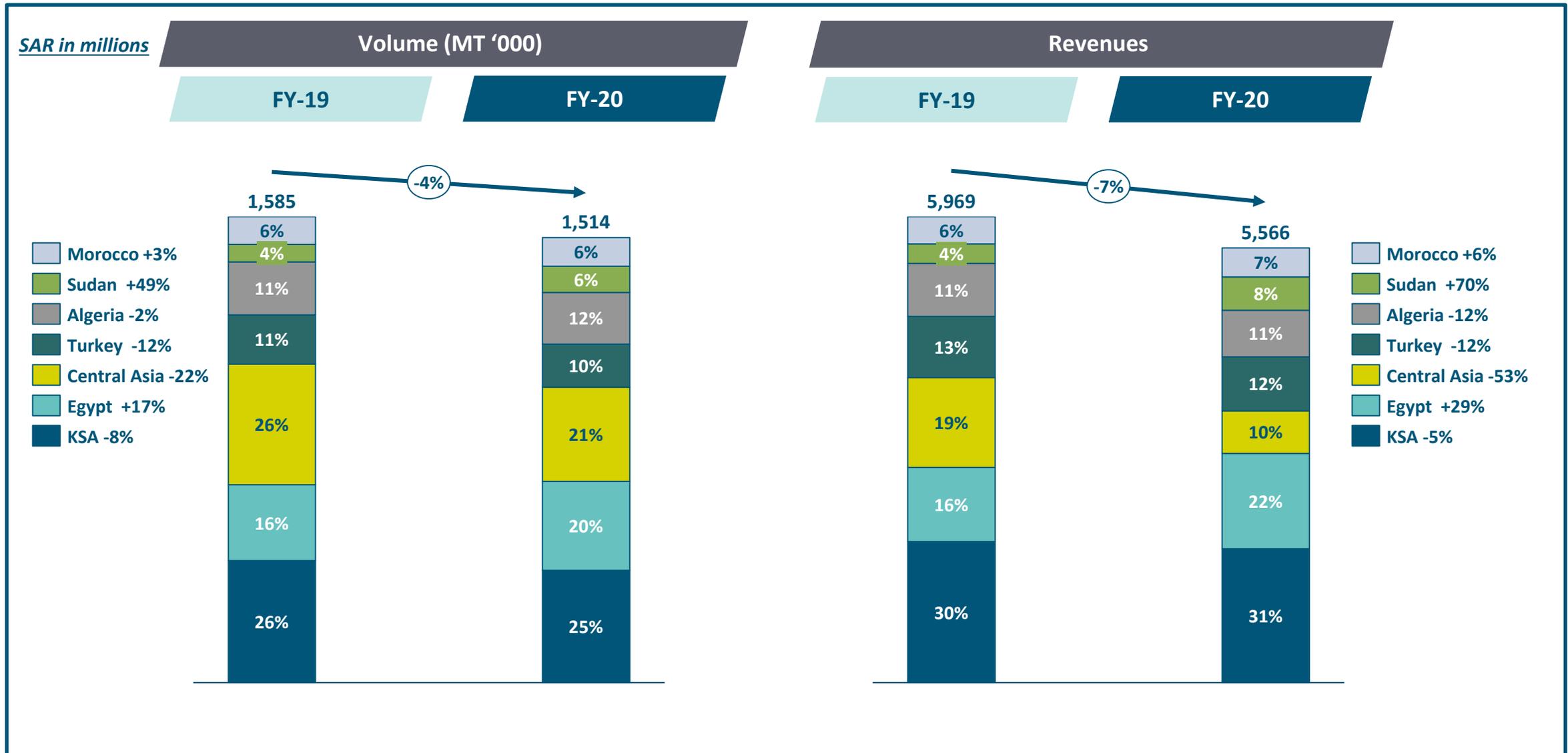
Note: numbers are rounded

FOODS – FINANCIAL HIGHLIGHTS



*In FY 2019, Savola Foods recorded non-operational income of about SAR 86 million due to reversal of accruals

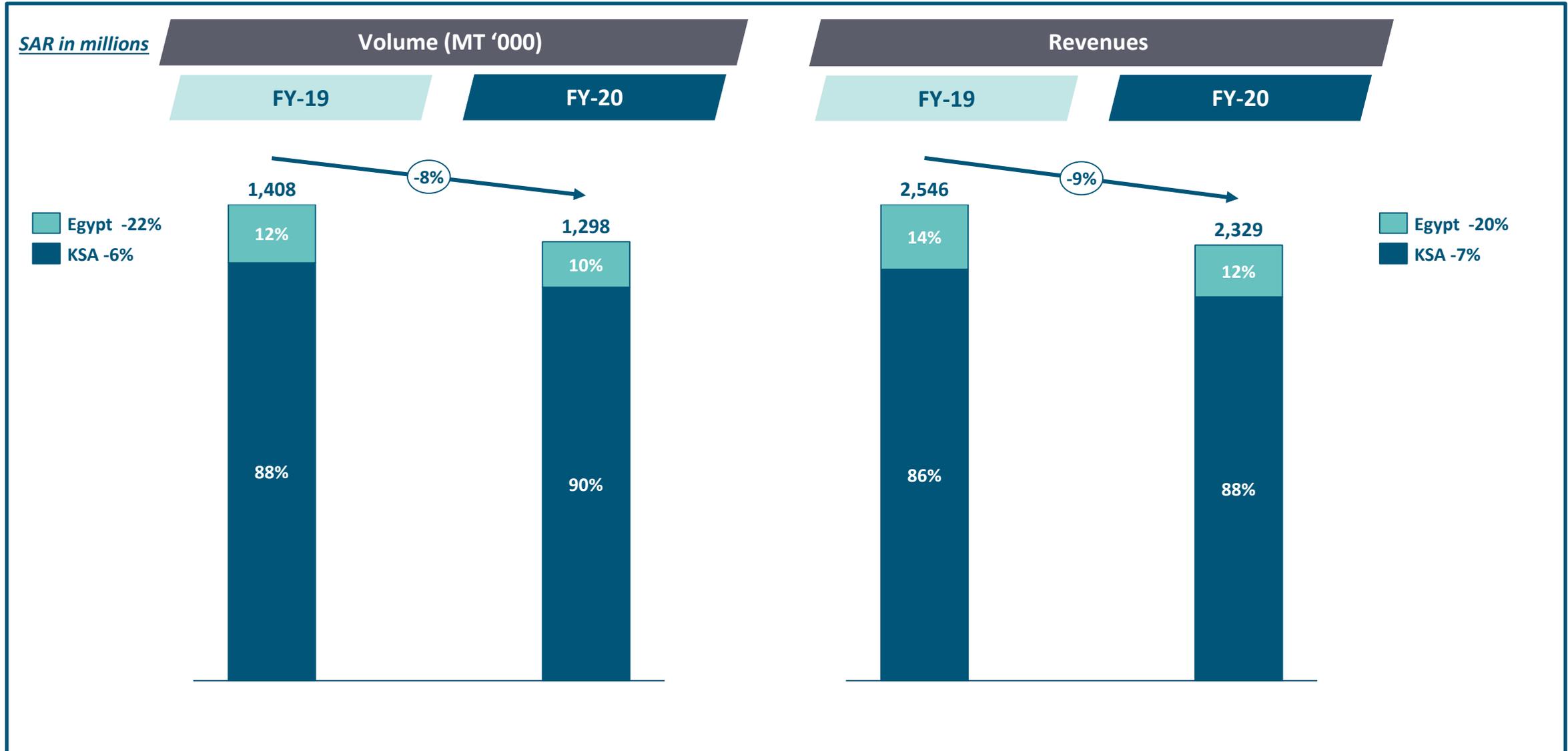
FOODS – OIL SEGMENT ANALYSIS



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 27

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

- The frozen food segment witnessed healthy growth driven by increased consumer demand and preference for the category in light of the COVID-19 pandemic impact

Revenues

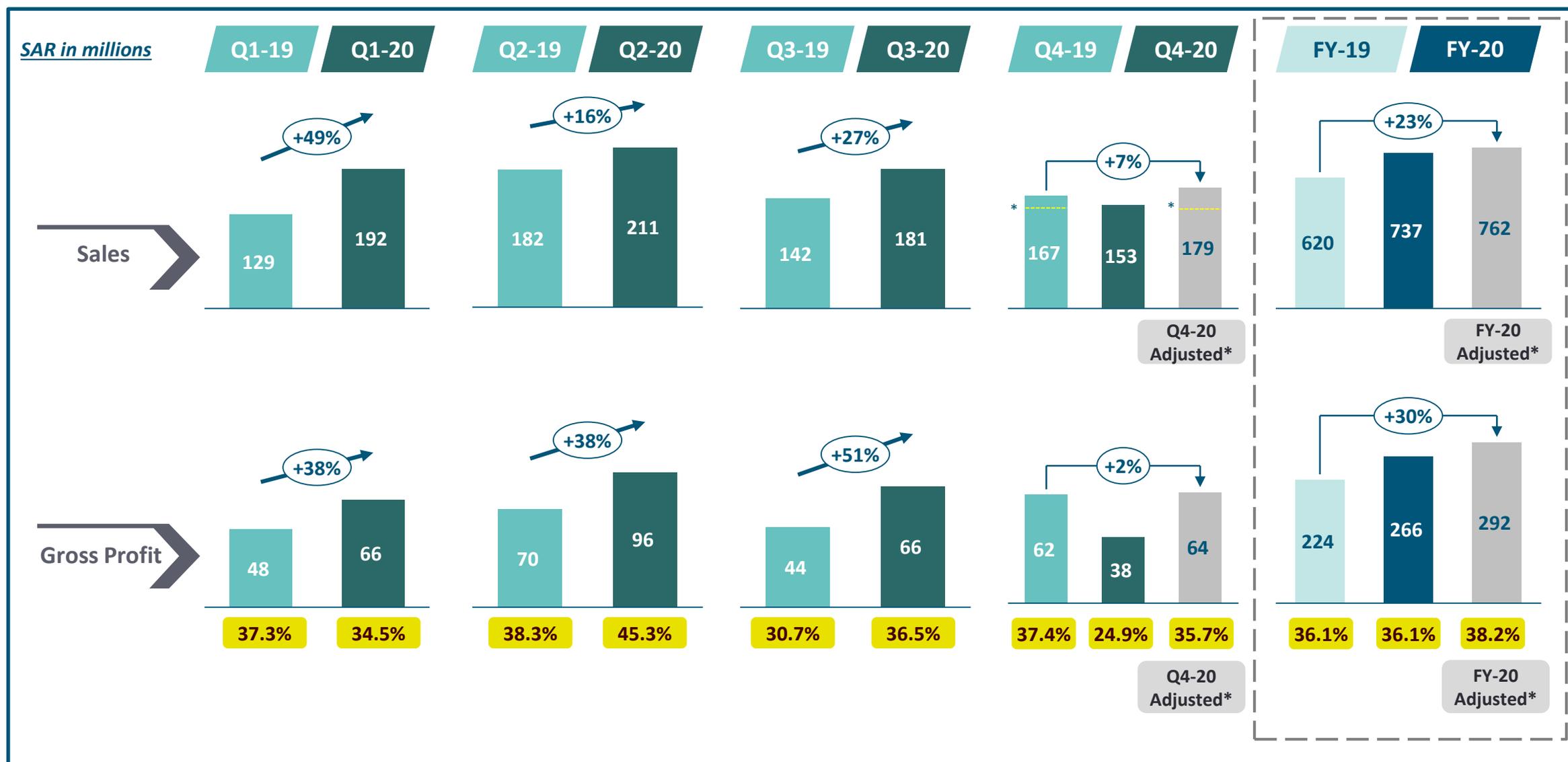
- Revenues increased by 23% reaching SAR 762 mn in 2020 compared to SAR 620 mn last year, on an adjusted basis
- The growth was largely driven by higher revenues in Saudi Arabia supported by ramping-up local production and new product offerings

Profitability

- FY 2020 EBITDA increased by 39% compared to last year, reaching SAR over 141 mn from SAR 102 mn last year
- FY 2020 net income registered at about SAR 107 mn, representing growth of about 59% compared to last year, where net income reached SAR 67 mn in 2019

FROZEN FOOD – AL KABEER FINANCIAL HIGHLIGHTS

Margin



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

*Adjusted for expenses captured in S&D which are now netted-off from revenues in relation to IFRS15

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

	FY2020					FY2019				
	Revenue	Gross Profit	EBIT	Net Income	EBITDA	Revenue	Gross Profit	EBIT	Net Income	EBITDA
Food*										
Oil-Mature Markets	4,174	794	379	235	469	4,690	888	359	212	447
Oil-Start-up Markets**	1,392	156	74	33	88	1,279	121	44	37	57
Total Oil	5,566	950	453	268	557	5,969	1,009	403	249	505
Sugar	2,329	237	111	56	196	2,546	263	120	72	201
Pasta	537	90	24	12	34	510	65	21	4	38
Emerging Categories***	211	10	(19)	(25)	(3)	184	8	(20)	(32)	(3)
Total Foods	8,644	1,287	570	311	785	9,209	1,345	524	292	741
Retail										
KSA	11,500	2,815	349	92	1,006	10,558	2,526	2	(334)	749
Egypt	114	23	(17)	(21)	(2)	102	18	(12)	(9)	3
Total Retail	11,613	2,838	333	71	1,004	10,660	2,544	(10)	(342)	752
Herfy	1,075	246	90	51	263	1,288	393	237	194	401
Frozen Food	737	266	115	107	141	620	224	76	67	102
Real Estate	-	-	0	0	0	-	-	6	6	6
Al Marai-Savola Share	-	-	685	685	685	-	-	625	625	625
HQ/Elimination/Impairments	(368)	(1)	(87)	(315)	(55)	(371)	(1)	(76)	(367)	(44)
Total	21,700	4,636	1,706	911	2,824	21,406	4,504	1,382	476	2,583
Adjustments										
Store Closure and Project Write-off				7					17	
Impairments and revaluation				49					72	
Reversals of Accrual				(21)					(133)	
Net Impact of IFRS16				71					101	
Adjusted Profit				1,017					533	

* 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.

Notes:

1) Revenues from commercial and promotional income in the retail segment were reclassified. For more information, please refer to note (3) of the Group's Q4 2020 financial statements

2) Al Kabeer revenues have been adjusted for expenses captured in S&D which are now netted-off from revenues in relation to IFRS15, the impact was recorded in Q4 2020

3) Certain numbers were reclassified for the Foods business in 2019 in relation to eliminations from the distribution business to conform to 2020 presentation

Investor Relations Application



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



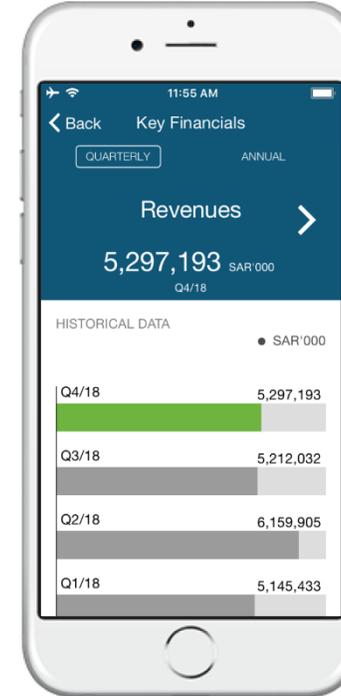
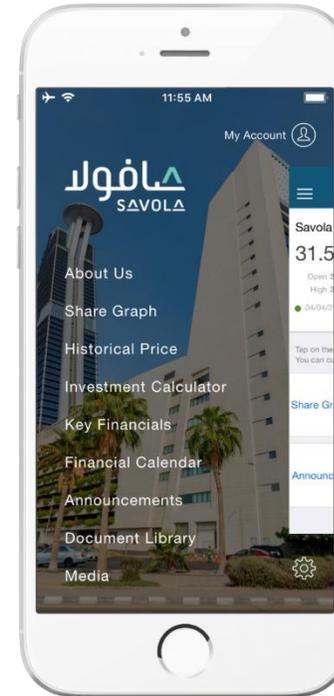
Savola Group Annual & Quarterly figures



Savola Group News releases from Tadawul



Annual/Quarterly Reports accessible offline



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



Thank you